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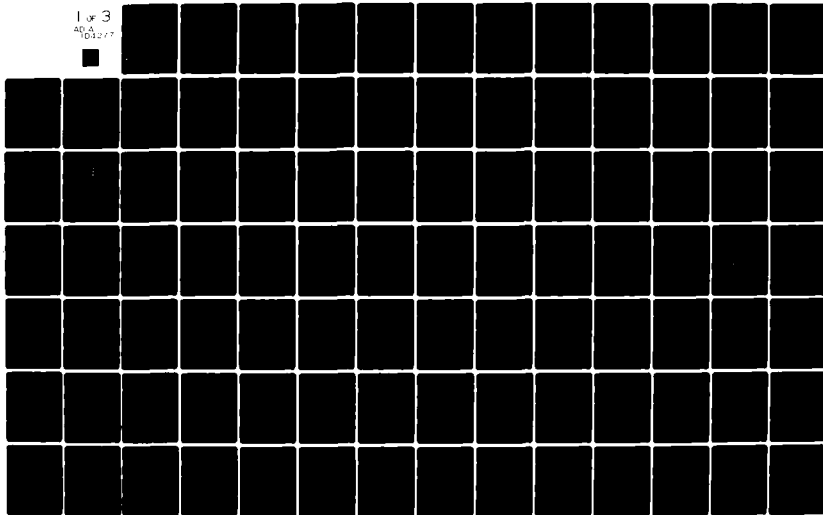
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SUGGESTED IMPROVEMENTS IN STAFFING AND ORGANIZATION OF TOP MANA--ETC(U)
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REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES

Suggested Improvements In
Staffing And Organization Of
Top Management Headquarters In
The Department Of Defense

A report of the Comptroller General of the United States

with a summary of the findings and recommendations

presented in the report to the Department of Defense

and a copy of the report is being furnished to the Department of Defense

for its information and use

in the event of a future report

of the Comptroller General of the United States

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ABBREVIATIONS

ADP	Automatic data processing
ASD	Assistant Secretary of Defense
BUPERS	Bureau of Naval Personnel
DCNO	Deputy Chief of Naval Operations
DCSLOG	Deputy Chief of Staff for Logistics
DCS	Deputy Chief of Staff
DIA	Defense Intelligence Agency
DMRR	Defense Manpower Requirements Report
DOD	Department of Defense
FOA	Field Operating Agency
FYDP	Five Year Defense Program
GAO	General Accounting Office
HQMC	Headquarters, Marine Corps
I&L	Installation and Logistics
JCS	Joint Chiefs of Staff
MCPASA	Marine Corps Personnel and Support Activity
MMTR	Military Manpower Training Report
M&RA	Manpower and Reserve Affairs
NPPSA	Navy Personnel Programs Support Activity
OJCS	Office of the Joint Chiefs of Staff
OMB	Office of Management and Budget
OPNAV	Office of the Chief of Naval Operations
OSA	Office of the Secretary of the Army
OSAF	Office of the Secretary of the Air Force
OSD	Office of the Secretary of Defense
PBD	program budget decision
PPBS	planning-programming-budgeting system
NPPSA	Navy Personnel Program Support Activity
R&D	Research and Development
SECNAV	Office of the Secretary of the Navy
SOA	Separate Operating Agency

REPORT OF THE
COMPTROLLER GENERAL

SUGGESTED IMPROVEMENTS IN
STAFFING AND ORGANIZATION OF
TOP MANAGEMENT HEADQUARTERS
IN THE DEPARTMENT OF DEFENSE

● D I G E S T

The Chairman, Senate Committee on Appropriations, and the Chairman, Subcommittee on Investigations of the House Committee on Armed Services, asked GAO to review Department of Defense top management headquarters. They were primarily interested in the size and decisionmaking processes of the:

- Office of the Secretary of Defense,
- Office of the Secretary of the Army,
- Office of the Secretary of the Navy,
- Office of the Secretary of the Air Force,
- Office of the Chief of Staff, Army,
- Office of the Chief of Naval Operations,
- Headquarters, Marine Corps, and the
- Office of the Chief of Staff, Air Force.

Although these staffs recently were reduced, they still employ 16,500 civilian and military personnel.

GAO surveyed 1037 offices employing 13,865 of these people. The large number of organizations performing the same type of activities provides insights to potential redundancies for further consolidations and/or cutbacks. These insights are the key to an alternative to across-the-board headquarters reductions. (See p. 23.)

Difficulties in identifying areas in which reductions should be made arise through organizational peculiarities and inconsistent reporting of headquarters strength. The current method of defining management headquarters relates to the primary mission of an organization, such as policy development.

This method is difficult, if not impossible, to standardize. It contributes to distorting the apparent size of Defense management headquarters because it permits transfers of personnel to nonmanagement headquarters without a change in type of work. (See pp. 10 and 11.)

Defense used 294 persons costing over \$6 million for congressional activities in fiscal year 1975. The legislative liaison fund, subject to annual congressional limitation, was set at \$1,305,290 for 60 people in fiscal year 1975. Although Defense apparently met the narrow definition of these activities, these people alone could not handle the inquiries plus the preparation and follow-up work that results from testimony before the Congress. An estimated 4.9 million staff hours or 14 percent of Defense headquarters personnel were required to work on congressional requests for information in fiscal year 1975. This effort cost about \$54.9 million. (See pp. 93 and 94.)

Defense reporting requirements have been permitted to expand without effective controls so that the military departments currently spend \$850 million annually to produce reports and related information. The various assistant secretaries of defense have circumvented the formal control system and established their own reporting requirements. GAO found instances in which information requests were impractical and unreasonable. Examples may be seen in portions of the military manpower training information and enlisted bonus management data requirements. These provided redundant but inconsistent data and required extensive amounts of additional work to produce. (See pp. 77 to 86.)

As a start in reducing unnecessary or duplicative reporting, the Secretary of Defense has cooperated with GAO in its responsibilities for assisting the Congress in developing, identifying, and monitoring information requirements. (See p. 88.)

GAO also looks at problems associated with

- management styles,
- organizational structure,
- decisionmaking,
- the role of the service Secretaries, and
- changing workload.

GAO recommends that the Secretary of Defense gradually implement a system to account for headquarters personnel on the basis of type of work performed. The aim of such a system is to improve identification and accountability for headquarters personnel regardless of organizational location. (See pp. 35 and 36.) Defense, however, does not agree with this recommendation and insists that the current organizational approach is adequate.

GAO recommends that the Secretary of Defense establish thresholds, which clarify Office of the Secretary of Defense decision points in service program review and evaluation, and strongly endorse the role of the service Secretaries as managers of their departments. Except for those programs which require cross-service management, he should limit participation by the Office of the Secretary of Defense to formulation and evaluation of Department of Defense policy and supervision of efficient policy extension. Day-to-day management responsibility should be delegated, to the greatest extent possible, to the military departments with clear accountability established at all levels. (See pp. 51 to 53.)

GAO recommends that the Secretary of Defense pursue possibilities for consolidation especially those identified in GAO's study of the headquarters' activities. (See pp. 51 to 53.)

Information controls in the Office of the Secretary of Defense should be strengthened. This could be done by tightening current policies and procedures to comply with the established information control system or by having

the control group directly under the Deputy Secretary of Defense. This group should assist the Secretary and Deputy Secretary of Defense in coordinating all Department of Defense information needs and direct the improvement and reduction of management information/control systems needed within the Department. (See pp. 99 and 100.)

The need for complying with requirements for controlling information requests and developing accurate cost estimates should be re-emphasized by the Secretary of Defense. Net reductions in report requirements should be the basis for measuring achievements against the Secretaries' Management by Objective goals.

In addition, GAO recommends that the Secretary of Defense:

- Reevaluate the military manpower training information needs and consider consolidating the Defense Manpower Requirement Report and Military Manpower Training Report data into budget back-up data. (See pp. 81 to 85.)
- Establish a single standardized training data base which will most economically meet the needs of all users. (See pp. 81 to 85.)
- Require bonus management data to be processed in the established information control system and limit data required from the military departments to the minimum needed to formulate, supervise, and evaluate policy execution. (See pp. 85 to 87.)

Matters for consideration by the Congress

The Congress should require Defense to determine the total workload and cost of responding to congressional requests for information. This information should be used to assess the usefulness of the information obtained by the Congress, relative to its cost; to assess the reasonableness

of the congressional liaison fund limitation and to determine whether economies are possible.

GAO discussed the report with officials of each top management headquarters. However, written Defense comments were received too late to incorporate in this report. Although Defense agreed in general with the findings and recommendations several disagreements remain. OSD does not agree with GAO's recommendation for functional accounting of headquarters personnel, insisting that the current organizational approach is adequate. (See p. 12.)

CHAPTER 1

INTRODUCTION

By letter of February 11, 1975, the Chairman, Senate Committee on Appropriations, requested us to review the civilian and military staffing of (1) the Office of the Secretary of Defense (OSD), (2) the civilian Secretaries of the military departments, and (3) the immediate staffs of the military departments.

This request was inspired partly by an extensive study of the Department of Defense (DOD) in 1969-70 by the Blue Ribbon Defense Panel. The panel reported its results to the President and the Secretary of Defense on July 1, 1970. The report offered 113 recommendations in a number of areas, including organization, management of material resources, management procedures, personnel management, and conflicts of interest. In the area of organization, which is the Committee's prime interest, the panel noted problems with the Washington headquarters staffs (OSD, three secretariats, and four military staffs) and offered 15 recommendations.

Problems noted by the Blue Ribbon Defense Panel included:

- A shift of Washington headquarters personnel from the "staff" category to the less visible "support" category.
- Evidence that the sizes of the headquarters staffs of the military departments were larger than required for efficient performance of assigned functions. In particular, the panel's functional analysis of these staffs revealed an astonishing lack of organizational focus and a highly excessive degree of "coordination," a substantial portion of which entailed writing memoranda back and forth between lower echelons of parallel organization elements and served no apparent useful or productive purpose.
- An accumulation of line-type activities by the services' military staffs.
- Substantial duplication in all military departments between the secretariat staffs and the military staffs.
- Duplication of support functions between DOD Washington headquarters elements and activities in the Pentagon.

In light of these issues, the Committee requested that we focus our review on six broad questions. (See app. I.)

The Chairman, Investigating Subcommittee of the House Armed Services Committee, by letter of June 9, 1975 (see app. I), requested us to make a similar review. It was agreed that, with augmentation, the work for the Senate Appropriations Committee would provide what the Subcommittee wanted.

In October 1973, as one step toward improving efficiency, the Secretary of Defense initiated a comprehensive review of all DOD headquarters. The objectives of this review (one strongly endorsed by the Congress) were to improve the effectiveness of headquarters; to reduce number, size, layering, and duplication; and to convert the resulting fiscal and manpower savings into combat forces.

We have reviewed the civilian and military staffing levels of DOD's top management headquarters, including OSD, the Organization of the Joint Chiefs of Staff (OJCS), and the secretariats and staffs of the service chiefs in each military department.

Although some reductions have recently been made in these staffs, this report looks at further possibilities for consolidation and/or cutbacks, problems associated with the current method of accounting for headquarters personnel, differences in the management styles and organizational structures of the military departments, decisionmaking in OSD and the role of the service secretariats, and the impact of external demands and changing workload.

CHAIN OF COMMAND

Within DOD the chain of command runs from the President to the Secretary of Defense to the Secretaries of the military departments, except in matters pertaining to the operational command of the unified and specified commands.

The actual use of the U.S. Armed Forces for military missions is through unified and specified commands made up of elements from the various military departments. The President, with the advice and assistance of the Joint Chiefs of Staff (JCS) and through the Secretary of Defense, establishes unified or specified commands. Forces assigned to these commands are under the full operational command of the designated commanders who, in turn, are responsible to the President and the Secretary of Defense for the missions assigned. Orders to such commanders are issued by the President or the Secretary of Defense, or by the JCS by authority and direction of the Secretary.

Throughout this report we refer to the service Secretaries as operational managers of their respective departments. We do not mean military operations, such as that exercised by JCS and the unified and specified commands. In 1958 the military departments were removed from the chain of command over the military operating forces to clarify and shorten the chain of command. Concerning the chain of command between the Secretary of Defense and the service Secretaries, the DOD Reorganization Act of 1956 contains the following proviso:

"Except as otherwise specifically provided by law, no Assistant Secretary of Defense shall have authority to issue orders to a military department unless (1) the Secretary of Defense has specifically delegated in writing to such an Assistant Secretary the authority to issue such orders with respect to a specific area, and (2) such orders are issued through the Secretary of such military department or his designee."

Accordingly, orders to the military departments are issued through the Secretaries, or their designees, by the Secretary of Defense or under authority specifically delegated in writing by the Secretary of Defense.

Each service's Secretary is responsible to the Secretary of Defense for the operation and efficiency of his department. It is in this context that we make reference to the service Secretaries as operational managers. Each of the military departments is assigned specific functions in support of the overall DOD responsibility. These functions include organizing, training, and equipping forces (including reserve component forces); providing the forces assigned to the established combatant commands; providing necessary administrative and logistical support; conducting research and development; procuring needed weapons and equipment; and developing tactics and techniques. The establishment of unified commands to direct U.S. military operations has not, therefore, reduced the operational importance of the service Secretaries and their Chiefs of Staff. Since the military departments control most of the resources (budgets, weapons, manpower, etc.), the unified commands are virtually powerless unless they are both authorized to operate by OSD/JCS and provided with the resources by the individual military departments.

Certain of the departments are also assigned responsibilities for special activities, such as the Department of the Army's responsibility for the civil works program and the administration and operation of the Panama Canal.

SCOPE OF REVIEW

This report was compiled by reviewing departmental organization charts, function statements, policy and guidance directives, and other documents furnished by officials of OSD and the military departments. We obtained additional information and supporting data from studies and reports, interviews of departmental officials, and a headquarters activity questionnaire (see app. V for details) administered to heads of 1,037 organizational elements in the involved staffs.

We made our review at OSD, OJCS, and the headquarters of the Department of the Army, Navy (including Headquarters, Marine Corps), and Air Force. Appendix II contains further details on these headquarters organizations.

GAO discussed the results of this study with officials of each top management headquarters. However, written defense comments were received too late to incorporate in this report. Although Defense agreed in general with the findings and recommendations, several disagreements remain. OSD does not agree with our recommendation for functional accounting of headquarters personnel, insisting that the current organizational approach is adequate. (See p. 12.)

CHAPTER 2

SIZE AND COMPOSITION OF DOD

TOP MANAGEMENT HEADQUARTERS

INTRODUCTION

The Department of Defense is governed by its eight top management headquarters, plus the Organization of the Joint Chiefs of Staff. Because part of OJCS is limited in strength by legislation and is a military operations organization, we have concentrated on the size and composition of the eight top management headquarters.

- Office of the Secretary of Defense
 - Office of the Secretary of the Army (OSA)
 - Office of the Secretary of the Navy (SECNAV)
 - Office of the Secretary of the Air Force (OSAF)
 - Office of the Chief of Staff, Army
 - Office of the Chief of Naval Operations (OPNAV)
 - Headquarters, Marine Corps (HQMC)
 - Office of the Chief of Staff, Air Force
- (A statistical analysis of OJCS is contained in app. IV.)

The staffing of these eight headquarters is difficult to compare because of (1) inconsistencies in reported strength data, (2) the dynamic nature of the defense organizational structure, (3) organizational peculiarities, and (4) the method of defining management headquarters.

We used 1947 as the base year in our statistical analysis of the strength data provided by DOD. In that year, the Congress passed the National Security Act in recognition of the need of greater unity and coordination for the Nation's security. The act's purpose was to unify the armed services and to integrate national policy and procedures. In general, the act:

- Created a national Military Establishment, consisting of the Departments of the Army, Navy, Air Force (newly created), and OSD.

- Established a National Security Council, consisting of the President, the Secretaries of State and Defense, the service secretaries, and the Chairman of the National Security Resources Board.
- Established the JCS, the Munitions Board, and the Research and Development Board within the Office of the Secretary of Defense.
- Made the Secretary of Defense responsible for formulating general policy for the Military Establishment.

Although the Secretary of Defense has tried to reduce the size of these headquarters, more can be done. We present an alternative to across-the-board headquarters reductions and deal with the relationship of the top management headquarters to the forces managed.

DIFFICULTY OF COMPARING DOD's TOP MANAGEMENT HEADQUARTERS

DOD "strength" is generally considered as the sum of active duty military personnel and civilian personnel. Our review addresses only direct-hire civilians since indirect-hire civilians are foreign nationals employed in overseas areas.

We requested strength data for fiscal years 1947-75 and grade structure data for fiscal years 1965 and 1970-75. We received strength figures for the years requested, but complete grade structure data was available only for fiscal years 1971-75.

In the data provided by each organization, we expected to receive strength and grade structure data that included all personnel authorized or assigned directly to each organization or in direct support of each organization. We found a significant variance in the composition or content of the strength figures.

Inconsistencies in strength data

In some cases, the data included the strength of direct support activities; in others, it did not. There was no uniformity or standardization in the data provided. Consequently, valid comparisons between similar organizations were difficult, if not impossible, to make. Some examples of data inconsistencies are:

- Staff support agencies were included as part of the Army Staff. In contrast, the Air Force did not

include in the Air Staff data approximately 600 personnel assigned to the 1143d Support Squadron in support of the Air Staff. The Air Staff agreed that the 1143d was a support activity but maintained that only about 140 of the 600 personnel directly supported the Air Staff. These 140 personnel were, however, not reported as Air Staff personnel.

- Approximately 162 Navy personnel were identified by the House Appropriations Committee Study in March 1975 as authorized or assigned to other Navy organizations but working full time for the Navy Staff. These personnel were not included in the data provided by the Navy Staff.
- The Army included, as part of the Army Staff, personnel assigned to the National Guard Bureau, a joint Army and Air Force organization. The Air Force, however, did not include Air Force personnel assigned to this organization, even though it was an element of the Air Staff. The Air Force portion of the National Guard Bureau is counted as a separate management headquarters.
- OSD support organizations (e.g., the Manpower Research and Data Analysis Center) were excluded from the data it provided.

Effect of the dynamic nature of DOD
on strength data comparisons

Since 1947 there have been constant organizational changes in DOD's top management headquarters.







- In 1961 the Office of the Assistant Secretary for Civil Defense was established. In 1964, it was abolished and the function was transferred to the Army. In 1972 a separate DOD agency was established for civil defense.
- Eleven agencies commonly referred to as defense agencies were established between 1952 and 1972, drawing multiservice functions and personnel from OSD and the military departments.
- In the forties the finance function in the Army was performed by an independent command. In the fifties, the function was transferred to the Army Staff. In the seventies, it was transferred back to a subordinate command and was no longer included in the Army Staff.

A valid comparison of even the same organization on a year-to-year basis would be difficult because the composition or the content of each organization is rarely the same for any two points in time. (The dynamic nature of DOD's top management headquarters is shown in app. V--Organizational Change, p. 150.)

Effect of organizational peculiarities
on strength data comparisons

Fundamental differences in the organizational structures of these headquarters result from functions being performed at different echelons. Table 1 illustrates some of these organizational differences. (Further discussion of the noncomparability of DOD's top management headquarters is shown in app. V--Categories of Personnel pp. 121 to 124, and Dominant Activities, pp. 132 to 135.)

TABLE 1
COMPARISON OF THE LEVEL OF ORGANIZATION AT WHICH
CIVILIAN AND MILITARY PERSONNEL STAFF FUNCTIONS
ARE CONDUCTED IN EACH SERVICE.

ORGANIZATIONAL LEVEL	ARMY	NAVY	MARINE CORPS	AIR FORCE
(1) SECRETARIAT		 (CIVILIAN)	 (CIVILIAN)	
(2) SERVICE STAFF	 (CIVILIAN/ MILITARY)		 (MILITARY)	 (CIVILIAN/ MILITARY)
(3) OTHER MANAGEMENT HEAD- QUARTERS (e.g., BUREAU OF NAVAL PERSONNEL)		 (MILITARY)		

 - PERSONNEL STAFF FUNCTIONS

As depicted, Army and Air Force civilian and military personnel staff functions are conducted at the service staff level. In the Department of the Navy, civilian personnel staff functions are conducted at the secretariat level for the Navy and Marine Corps. Military personnel staff functions in the Navy are conducted in the Bureau of Naval Personnel, which is one echelon below the service staff. In the Marine Corps, however, they are conducted at the service staff level.

Definition of DOD's management headquarters

The problem of defining and identifying what is included in the term "management headquarters" was discussed in great detail in DOD's fiscal year 1976 appropriations hearing before the House Committee on Appropriations. In the DOD appropriation bill for fiscal year 1973, Report No. 92-1389, September 11, 1972, the Committee instructed OSD to establish (1) a DOD-wide definition of headquarters activities, (2) an OSD-approved list of DOD headquarters components, and (3) a common method of accounting for the manpower spaces authorized for management headquarters functions.

OSD responded with a three-phased approach to implementing the instructions. Phase I results were published in DOD Directive 5100.73, November 8, 1973. The directive provided (1) a definition and list of management headquarters, (2) that the Assistant Secretary of Defense (ASD), Comptroller, was the focal point and coordinator for controlling the number and size of management headquarters components, and (3) that the Assistant Secretary approve all proposals by DOD components to increase or decrease, by more than 5 percent during a fiscal year, the aggregate manpower authorizations for their management headquarters.

On April 11, 1975, under phase II, DOD Directive 5100.73 was revised to update the system for identifying and regulating the number and size of DOD management headquarters activities, to clarify the DOD-wide management headquarters definition, to list and define management headquarters functions, and to identify DOD management headquarters organizations. Phase III is implementation of the directive.

In the revised directive, a major consideration was the approach to defining and identifying management headquarters and ultimately to developing a common method of accounting for management headquarters manpower. Both the organizational and the functional approaches were considered. DOD decided upon an organizational approach.

Organizational approach

Under the organizational approach, an organization is designated and counted as a management headquarters activity if, during the course of a fiscal year, its primary mission requires that it substantially perform the following for organizations at a lower level in any of the 32 functional areas listed in the directive.

--Policy development and/or guidance;

- Long-range planning, programming, or budgeting;
- Management and distribution of resources;
- Program performance review and evaluation.

When an organization's primary mission is not readily determinable, the organization will be included if most of its manpower resources (workload) is devoted to the 32 functional areas.

Functional approach

Headquarters management functions are identified and defined; then departmental components and authorized personnel performing these functions would be determined. Under the functional approach all personnel performing management headquarters work are reported on the basis of type of work performed regardless of their organization and primary mission.

During the formulation and revision of Directive 5100.73, the Air Force clearly supported the functional approach. It has already identified and defined its management headquarters functions and centralized these functions into headquarters and support components, and all such functions are controlled by manpower ceilings. The Army has a somewhat comparable system; however, it is not fully implemented. The Navy opposes the functional approach because it would require either reorganizing many of its components or developing a program similar to those of the Army and Air Force. OSD feels that the current approach is adequate and that implementing the functional approach would be too disruptive. The definition and identification of management headquarters in the April 11, 1975, revision of Directive 5100.73 is based on the organizational approach.

Flaws in the organizational approach

The organizational approach has the following flaws:

- The organizational structure of each military department contains hundreds of components and is difficult, if not impossible, to standardize.
- Conjecture is often involved in determining an organization's primary mission and whether a substantial portion of the mission is devoted to headquarters management functions.
- An incentive is provided to headquarters components to reduce headquarters workload by transferring

personnel into nonheadquarters organizations (i.e., organizations which devote 49 percent or less of their resources to headquarters functions).

An example of this incentive is the newly created Marine Corps Personnel and Support Activity (MCPASA). HQMC, like most headquarters, contains both management and nonmanagement headquarters functions. In a recent memorandum the Secretary of the Navy noted that, although it was convenient and economical to retain the nonmanagement function at the current location (i.e., with the management headquarters function in Washington, D.C.), personnel assigned thereto unduly inflate the apparent size of the management headquarters and should, therefore, be separately structured. Accordingly, in April 1975 certain line-type billets (about 1,100 officer, enlisted, and civilian) were deleted from the management headquarters element of HQMC and placed in MCPASA.

Functions organizationally located in HQMC, which support the entire Marine Corps and not the management headquarters element of HQMC, are being assigned to MCPASA. These functions include personnel operations, such as tasks, activities of detailing, assigning, promoting, separating and retiring, reporting on performance, recruiting, training and education, and maintaining records. Certain functions within commodity procurement and inventory control, now part of HQMC Installations and Logistics Department, are also slated for MCPASA. Finally, the Data Systems Branch of the Information Systems Support and Management Division, HQMC, is scheduled to be transferred to MCPASA since the systems are Marine Corps-wide and provide support to every Marine Corps unit.

Data provided to us reflects the exclusion of 1,120 MCPASA personnel from HQMC. Assigned strength for June 30, 1975, was 1,639, compared to 2,759 a year earlier. Therefore, personnel assigned to MCPASA, an element of HQMC, are not being counted toward the management headquarters identified by DOD as HQMC; nor are they being counted toward any management headquarters. This situation exists even though under the DOD-adopted organizational approach, all personnel assigned to a management headquarters activity, such as HQMC, are considered as part of the management headquarters strength. Through such transfers, the number of personnel assigned to management headquarters is reduced and an accurate accounting cannot be made.

Conclusions

We could not obtain an accurate accounting of management headquarters personnel in DOD's top management organizations.

Approximately 140 personnel in the 1143d Support Squadron, which are in direct support of the Air Staff, are not being accounted for as Air Staff support.

We believe that the MCPASA arrangement is a contradiction of DOD's method of accounting for management headquarters strength on an organizational basis (that is, if an organization is designated as a management headquarters, then all its personnel are to be considered as headquarters personnel).

Accounting for management headquarters personnel under the organizational approach is inadequate. So long as DOD follows the organizational approach in accounting for strengths at management headquarters, line-type functions (i.e., non-management headquarters-type functions) in these staff-type activities, and vice versa, the apparent size of DOD management headquarters will be distorted. Therefore, reported headquarters reductions are possibly just cosmetic.

Although OSD feels that the organizational approach is adequate, we believe full functional accounting enhances the identification and accounting of management headquarters and support personnel. However, functional accounting is difficult to implement. For example, existing manpower accounting systems, except for that of the Air Force, are not capable of handling the requirements of full functional accounting. We realize that requiring DOD components to change to a full functional accounting approach in the short term would be unreasonable.

CHANGES IN TOTAL DOD STRENGTHS

Since 1947 the military and civilian personnel strength of DOD has reflected major U.S. military conflicts. The highest levels were reached during the Korean conflict in 1952 and the Vietnam conflict in 1968. In the early sixties, the strength increased to a lesser extent during the Berlin blockade and the Cuban missile crisis. Since the cessation of hostilities in Vietnam, the personnel strength of DOD has been in a rapid downward trend.

Using fiscal year 1964 as the base year, total DOD strength had decreased about 15 percent by fiscal year 1975. The military departments decreased approximately as follows: Army, 13 percent; Navy (including Marine Corps), 12 percent; and Air Force, 23 percent.

Using the peak Vietnam fiscal year of 1968 as the base year, total DOD strength had decreased about 35 percent by fiscal year 1975. The military departments decreased approximately as follows: Army, 44 percent; Navy (including Marine Corps), 30 percent; and Air Force, 28 percent.

DOD'S TOP MANAGEMENT HEADQUARTERS STRENGTH

Although the strength data are incomplete, inconsistent, and clearly contain certain other discrepancies, we present them as useful for trend analysis. However, viewing the size of the top management headquarters in isolation (without considering (1) the possibility that work is being performed in support of these headquarters by nonmanagement headquarters activities and (2) the fact that the top management headquarters is only a part of the total management headquarters picture) is like viewing the proverbial tip of the iceberg.

The following figures depict the military and civilian staffing trends since 1947 in (1) the combined OSD, service secretariats, and service staffs, (2) OSD, (3) the Army secretariat and Staff, (4) the Navy secretariat and the Navy and Marine Corps Staffs, and (5) the Air Force secretariat and Staff.

FIGURE 1
COMBINED OSD, SERVICE SECRETARIATS AND SERVICE STAFFS PERCENT MILITARY AND CIVILIAN

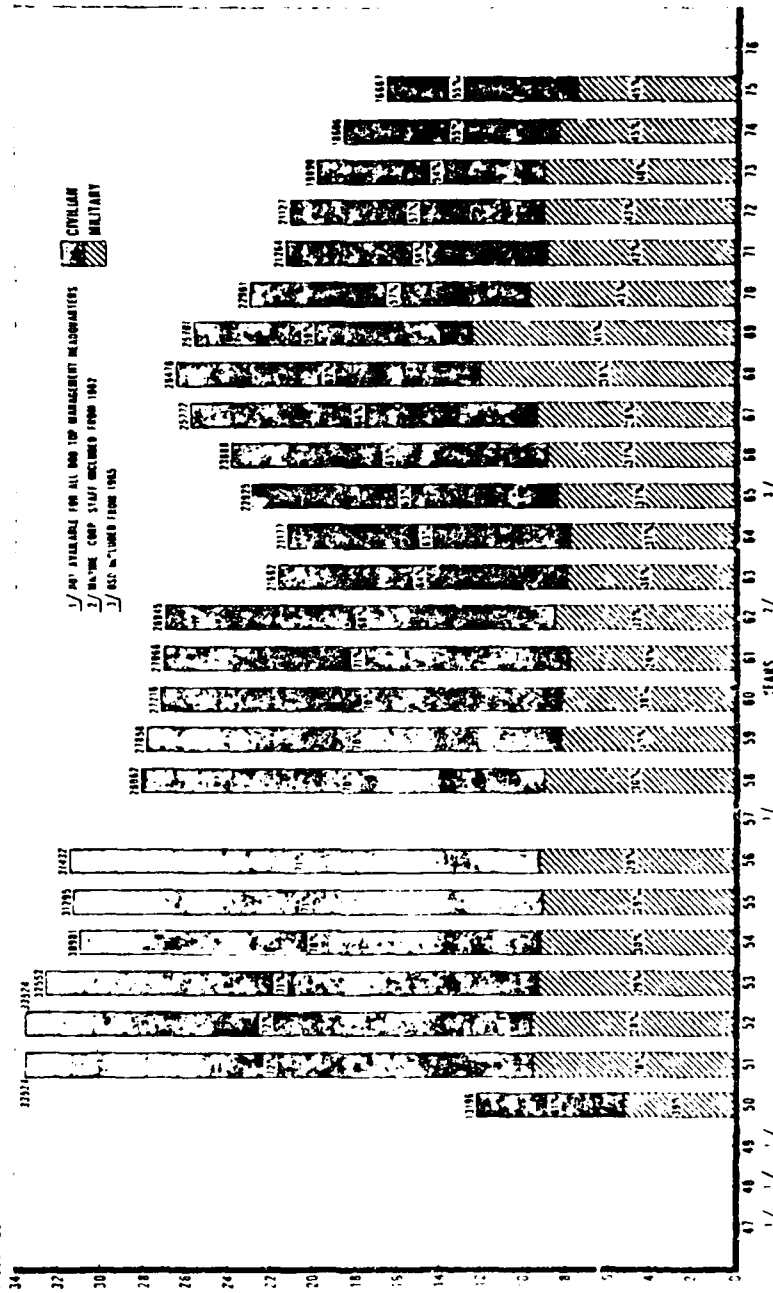


FIGURE 2
**OFFICE OF
 THE SECRETARY OF DEFENSE STAFF STRENGTH (PERCENT MILITARY AND CIVILIAN)**

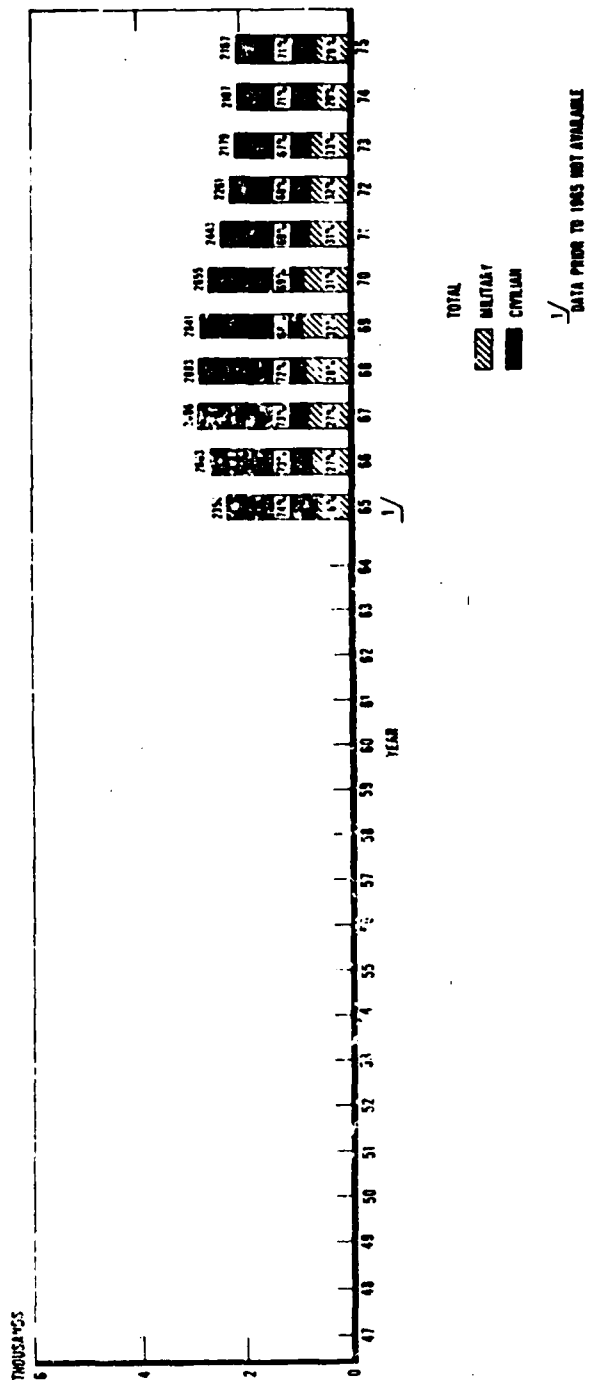


FIGURE 3
DEPARTMENT OF THE ARMY
SECRETARIAT AND MILITARY STAFF STRENGTH PERCENT MILITARY AND CIVILIAN

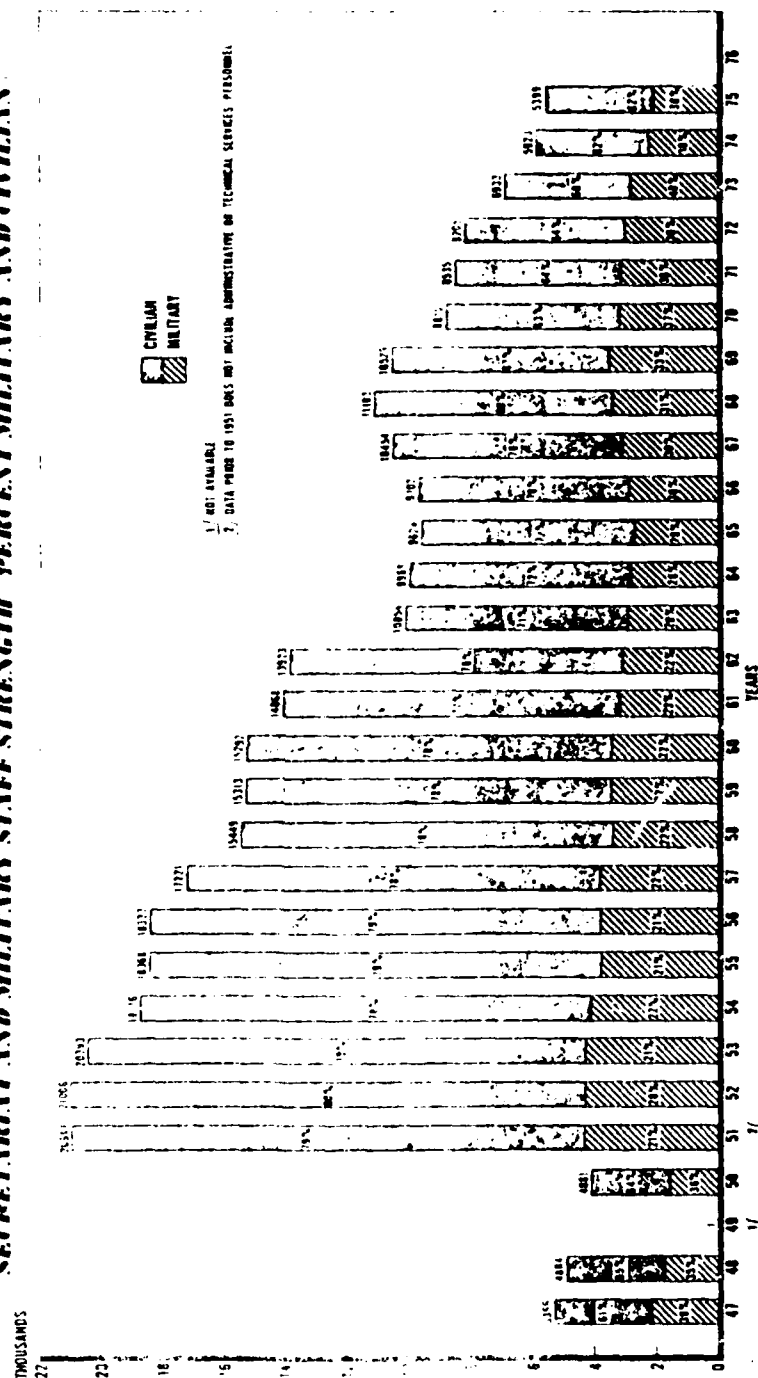


FIGURE 4

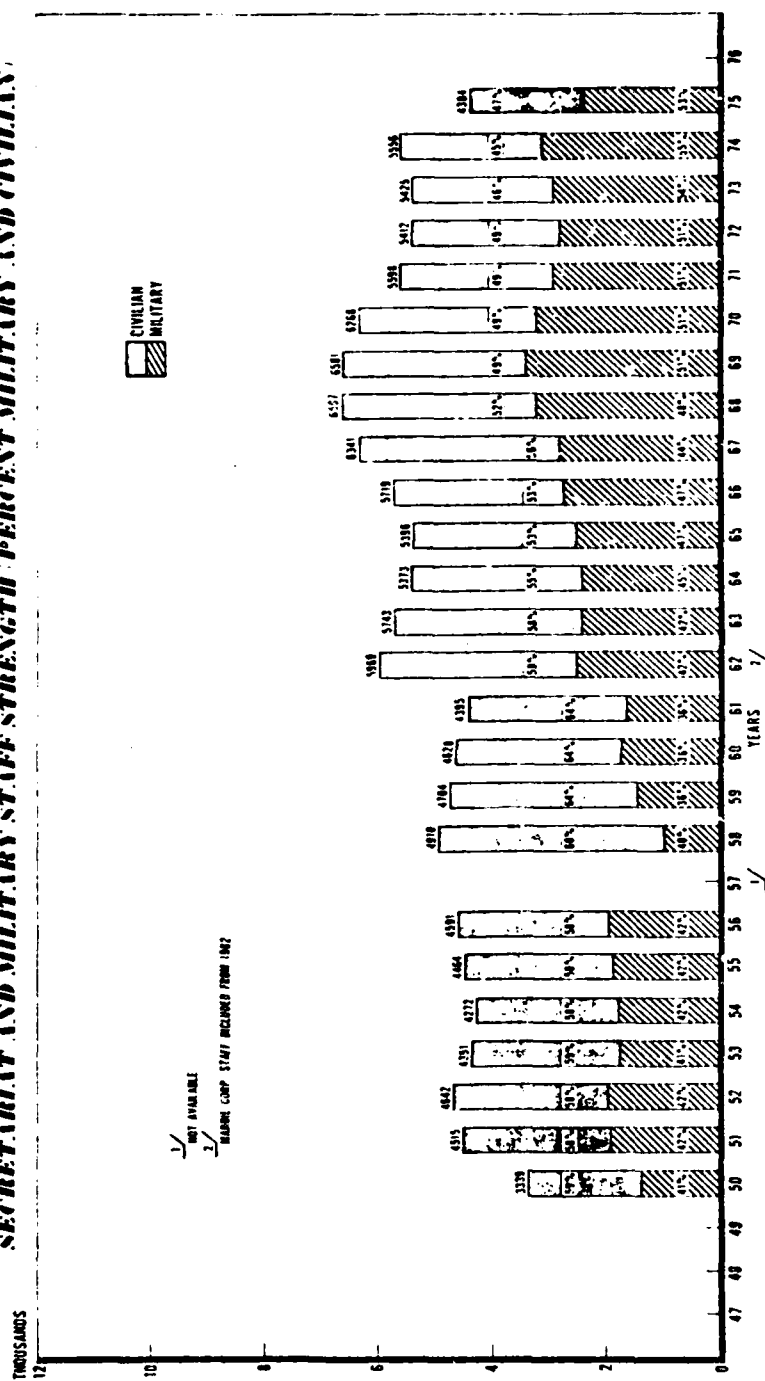
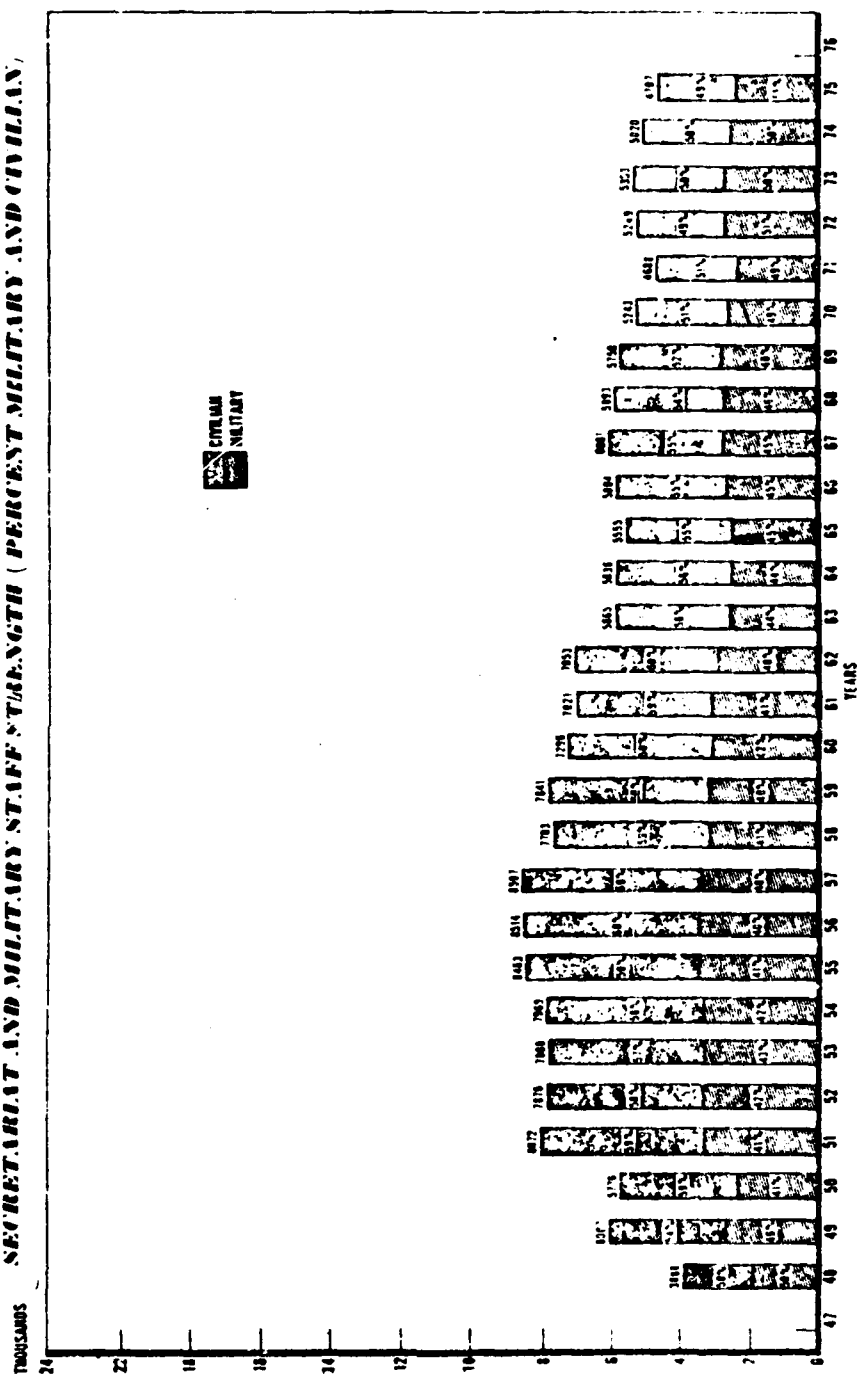


FIGURE 5
 DEPARTMENT OF THE AIR FORCE
 SECRETARIAT AND MILITARY STAFF STRENGTH (PERCENT MILITARY AND CIVILIAN)



Using fiscal year 1964 as the base year, as of fiscal year 1975, top management headquarters personnel strength had decreased about 29 percent. OSD strength decreased about 8 percent (data available only for 1965-75), and the military departments' top management headquarters (combined secretariat and staff) decreased approximately as follows: Army, 46 percent; Navy (including Marine Corps), 18 percent; and Air Force, 19 percent.

Using fiscal year 1968 as the base year, top management headquarters personnel strength decreased about 37 percent. The OSD strength decreased about 25 percent and the military departments' top management headquarters (combined secretariat and staff) decreased approximately as follows: Army, 51 percent; Navy (including Marine Corps), 33 percent; and Air Force, 20 percent.

For periods 1964-75 and 1968-75, table 2 shows the percentage of decrease in the military and civilian personnel strengths for DOD, the military departments, DOD's top management headquarters, the military departments' top management headquarters, and their respective components.

The total DOD strength decrease (15 percent) since fiscal year 1964 was about 50 percent less than the decrease in DOD's top management headquarters (29 percent).

Since fiscal year 1968, DOD's top management headquarters strength decreased in about the same proportion as total DOD strength. However, decreases in strength at the various top management headquarters were disproportionate. For example, the Army's top management headquarters decreased at a greater rate than did the others.

OSD and Air Force's top management headquarters strength decreased at a lesser rate than the others. Furthermore, comparing the number of OSD personnel with those in the aggregate top management headquarters of the military departments, the relative size of OSD has increased. There was one OSD staff member for each 8.75, 8.18, and 6.69 departmental headquarters staff members in 1965, 1968, and 1975, respectively. This amounts to an increase of about 30 percent in the ratio of OSD staff to departmental headquarters staffs of the military departments between 1965 and 1975.

TABLE 2
Percentage Decreases in
Military and Civilian Personnel Strengths

<u>Organization</u>	<u>Percentage decrease</u>	
	<u>1964-75</u>	<u>1968-75</u>
DOD	15	35
Department of the Army	13	44
Department of the Navy		
(including Marine Corps)	12	30
Department of the Air Force	23	28
DOD's top management headquarters	29	37
OSD	a/8	25
Army:		
Top management headquarters	46	51
Secretariat	63	62
Staff	44	50
Navy:		
Top management headquarters	18	33
Secretariat	23	38
Staff	12	26
Marine Corps Staff	22	38
Air force:		
Top management headquarters	19	20
Secretariat	11	5
Staff	20	22

a/Data available only for 1965-75.

DOD HEADQUARTERS REVIEW

In October 1973 the Secretary of Defense initiated a comprehensive review of all DOD headquarters. He examined the impact of potential 10-, 20-, and 30-percent across-the-board reductions in headquarters strengths (10/20/30). Between December 1973 and February 1974, OSD, OJCS, the military departments, and the defense agencies submitted the results of their studies, made along strict organizational lines within each major organization. On the basis of these studies, DOD established a goal to reduce headquarters manpower by 14,400 by the end of fiscal year 1975 based on the fiscal year 1974 column of the President's fiscal year 1974 budget. DOD later revised that goal upward. On the following page is the revised goal for fiscal year 1976.

Planned Headquarters Reductions

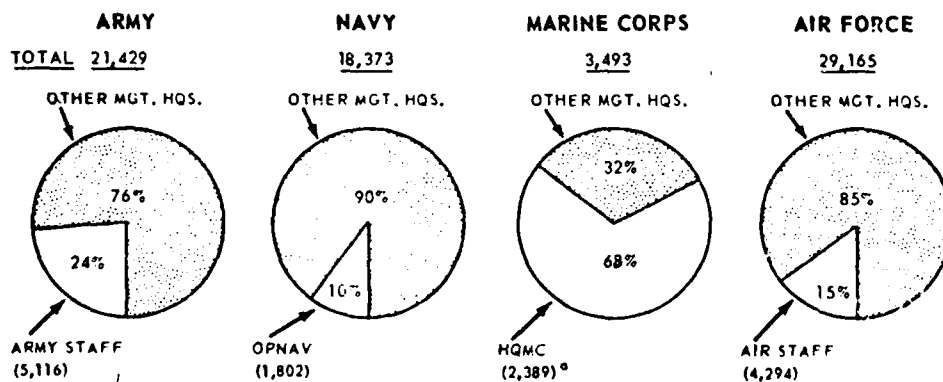
Military and civilian
reductions through
FY 1976

Army	7,100
Navy	1,600
Marine Corps	500
Air Force	8,300
OSD, OJC/unified commands	1,400
Defense agency headquarters	300
Defense agency field activities	<u>6,400</u>
Total	<u>25,600</u>

The reductions planned for the Army, Navy, Marine Corps, and Air Force are spread across all service management headquarters. These management headquarters include about 30 in the Department of the Army, 65 in the Department of the Navy, and 48 in the Department of the Air Force. OSD, the three service secretariats, and the four service military staffs are each separate management headquarters.

Service top management headquarters compared with other management headquarters

The following charts compare the size of service staffs shown in parentheses with the total size of the subordinate management headquarters in each service, based on estimated fiscal year 1975 personnel strength authorizations.



* Including MCPASA.

Progress in DOD headquarters review

DOD is well into the 2d year of its headquarters review. Some progress has been made not only in reducing the manpower resources devoted to overhead operations but also in restructuring and updating headquarters to make them more effective. The services are using some spaces to create new combat units or to improve the manning levels of existing combat units. Other manpower savings have been used to increase material readiness.

Despite some manpower reductions, DOD top management headquarters have almost 16,500 civilian and military spaces in the President's fiscal year 1976 budget. Nearly 2,300 spaces were programed for OSD alone. Moreover, neither of these figures includes the support organizations which have been created over the years to help this vast headquarters function. OSD has a particular problem because its staff reductions have not kept pace with those in other top management headquarters nor have they been permanent. Table 3 shows that fewer personnel were assigned to each of the military departmental headquarters at the end of fiscal year 1975 than for fiscal years 1973 and 1974. Although the number of personnel assigned to OSD at the end of fiscal 1975 was smaller than on June 30, 1973, it was 3 percent higher than on June 30, 1974.

In addition, service staff loaned to OSD for working groups and ad hoc committees were excluded from OSD spaces. The use of Army and Air Force personnel by OSD in fiscal year 1975 amounted to about 90 staff-years. (See p. 98 for staff loaned to OSD.)

Table 3

Changes from 1973-75 in Personnel Assigned in OSD and the Combined Service Secretariats and Military Staffs

Organization	Personnel (military/ civilian) assigned			Percent change: June 30, 1975 from	
	June 30, 1973	June 30, 1974	June 30, 1975	June 30, 1973	June 30, 1974
OSD	2,179	2,167	2,167	1	a/3
Army secretariat and Staff	6,933	5,399	5,923	22	9
Navy secretariat and Staff (note b)	5,425	5,556	4,394	19	c/21
Air Force secretariat and Staff	5,353	5,020	4,707	12	6

a/An increase. All other percentages are decreases.

b/Includes OPNAV and HQMC.

c/Because of a change in manpower accounting in HQMC, over 1,000 personnel counted in FY 1974 were not counted in FY 1975 as a part of HQMC. This reorganization deals with the newly created MCPASA.

ALTERNATIVES TO ACROSS-THE-BOARD
HEADQUARTERS REDUCTIONS

• Air Force experience in the 10/20/30 reduction studies and follow-on efforts, as well as parallel efforts in industry, indicate that, to be effective, headquarters streamlining should be based upon a detailed functional analysis. Industry experience shows that alternative approaches, such as across-the-board reductions, do not achieve permanent, consistent, or effective results. For example, interservice and DOD-wide audits can be effectively performed only by the OSD Audit Office; however, staffing (at the time of the 10/20/30 studies) allowed performance of only 50 percent of their workload responsibilities (policy calls for certain audits every 2 years, but such audits were being done every 5 or 6 years). With this office's effectiveness already in serious doubt, any across-the-board reduction (such as that related to the 10/20/30 effort) would obviously aggravate the problem. Moreover, if workload does not decrease along with staff reductions, the "survivors" become overburdened, frustrated, and demoralized. (See p. 89 for further discussion of workload and staffing demands that are counterproductive to staff reductions.)

Army studies indicate that 10/20/30 percent reductions in the secretariat would (1) result in a "figurehead" secretariat unable to adequately or efficiently support the Secretary of the Army in his assigned responsibilities and (2) diminish his effectiveness in dealing with the Secretary of Defense, the Congress, other Government officials, and the public. Furthermore, the Army maintains that reductions of the magnitude suggested in the Army Staff would hurt its capability to guide, direct, and respond to Army requirements in the field while remaining responsive to OSD and the Secretary of the Army. The Army also maintains that, if further reductions are to be accomplished, OSD must decrease the size of its staff by eliminating low-priority functions. The Air Force developed a specific approach to a detailed functional analysis for streamlining headquarters. This approach is applicable to the other top management headquarters. Its application in OSD follows:

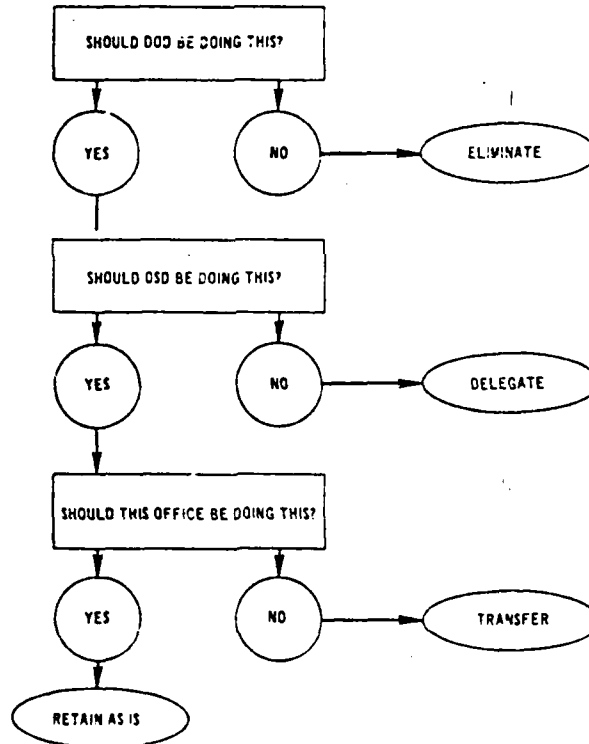
- Establish a working group and a steering group to make detailed functional analyses of OSD and OJCS, using the staff subelements as primary data sources.
- Sustain the effort for 4 months.
- Give the steering group authority to recommend to the Deputy Secretary of Defense reductions of up to 40 percent in OSD.

- Establish three subgroups to examine. (1) all functions for elimination, delegation, or transfer, (2) information flows, and (3) efficiencies in administrative support.

The following tasks specify the detailed steps of the examination.

1. Tasks involved in a functional review.

- Document OSD management practice.
- List and describe every function performed.
- Establish priority of functions.
- Examine each function for elimination, delegation, or transfer. The key questions are illustrated below.



- Obtain service and defense agency comments on proposed functional actions.

- Have steering group make functional decisions.

2. Tasks involved in an information flow analysis.

or-

- Document manpower requirements on each requirement report.
- Assess risk of report elimination.
- Establish priority of reports by manpower cost.
- Eliminate reports of low utility and high cost.

fit.

3. Tasks involved in an administrative support analysis.

- Assess need for formal documentation.
- Evaluate capabilities of word-processing technology.
- Implement cost-effective word-processing technology.
- Reduce formal interstaff communication.

4. Final integration tasks.

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- Combine and compare for compatibility three recommendations.
- Prepare and present final recommendations to the Secretary of Defense.
- Reduce staff in the President's budget.

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Conclusions

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Since fiscal year 1964 the relative strength of the management headquarters has decreased more (29%) than the total DOD strength (15%). The strength of these headquarters have decreased in about the same proportion, however, since fiscal year 1968. The Army secretariat and Staff have decreased at the highest rate, while OSD and the Air Force secretariat and Staff have decreased at the lowest rate.

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OSD staff reductions have not kept pace with the other top management headquarters or always been sufficient. Fiscal year 1975 OSD strength increased by 3% from fiscal year 1974. Additionally, the size of the staff relative to the departmental headquarters staffs of the major departments has increased by about 30 percent in the past decade.

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Moreover, across-the-board reductions will not achieve permanent or effective results. In fact, this practice had reduced the capability of certain offices to perform their required missions.

RELATIONSHIP OF THE TOP MANAGEMENT
HEADQUARTERS TO THE FORCE MANAGED

The personnel strength of DOD's eight top management headquarters as a group has remained relatively constant as a percentage of total DOD personnel strength. The highest collective personnel strength levels of these organizations occurred in 1952 and 1968, when total DOD strength was also at its highest levels. Therefore, as the total DOD strength increases, the top management headquarters strengths increase proportionately. Figure 6 shows, for 1947 through 1975, the active duty military and civilian personnel strengths and the total personnel strengths of DOD's top management headquarters organizations expressed as percentages of DOD's total strength. The percentage fluctuated from a low of 0.5 percent to a high of 0.8 percent. Figures 7, 8, and 9 show the same relationship for each military department and its top management headquarters.

The relative personnel strength of OSD and each of the military departments' top management headquarters organizations (secretariat and staff) to the total force managed has not remained constant. Table 4 shows the ratios of the personnel strength to the force managed for OSD and each military department's top management headquarters. OSD and the Air Force's top management headquarters have had decreasing ratios. Between fiscal years 1968 and 1975 the size of OSD and Air Force top management headquarters relative to the force they managed increased by 15 and 11 percent, respectively.

FIGURE 4
DOD
TOTAL ACTIVE DUTY MILITARY & CIVILIANS

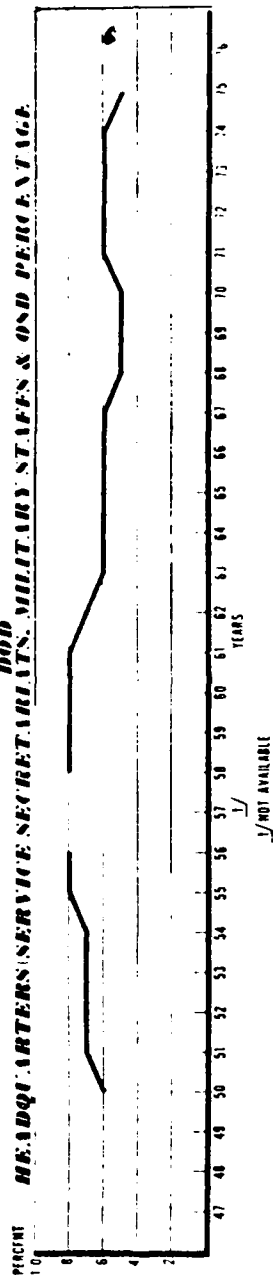
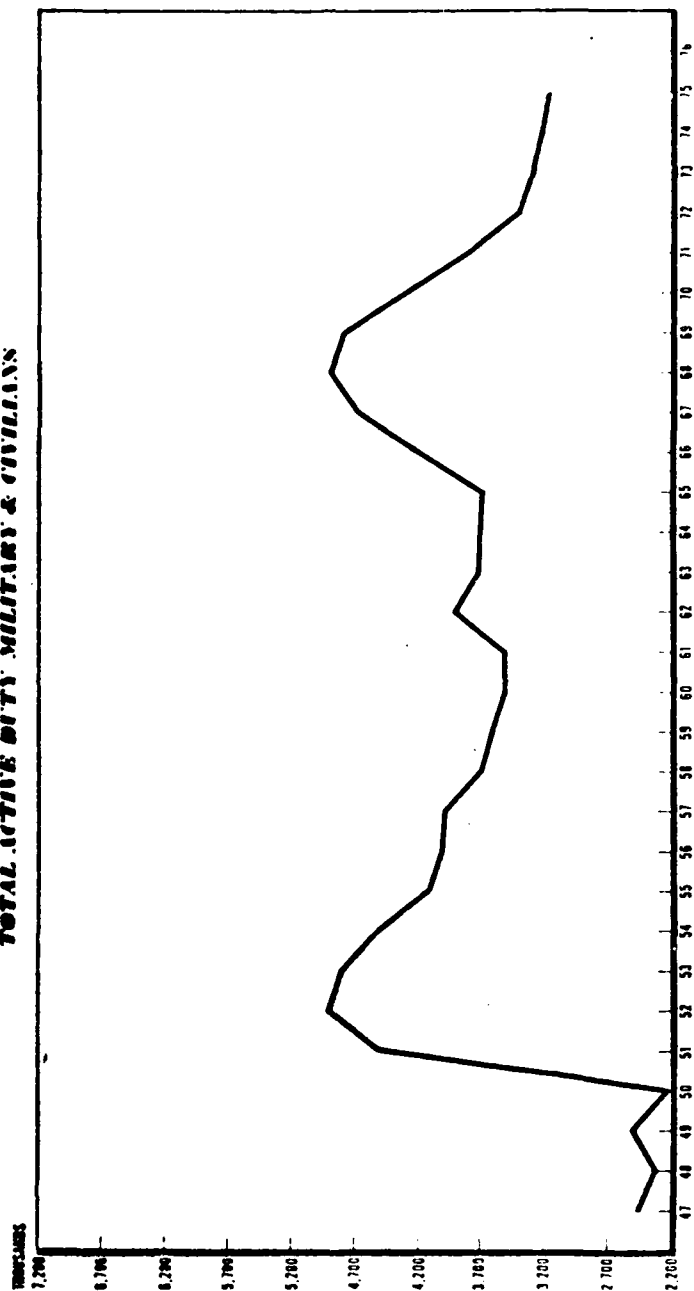


FIGURE 1
ARMY
TOTAL ACTIVE DUTY MILITARY & CIVILIANS

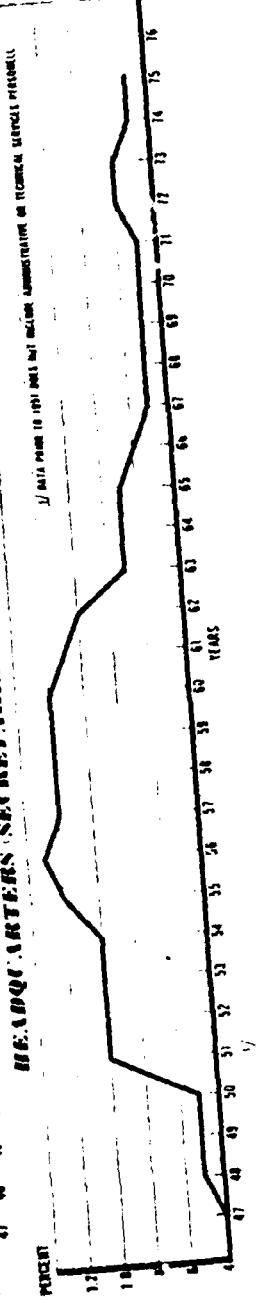
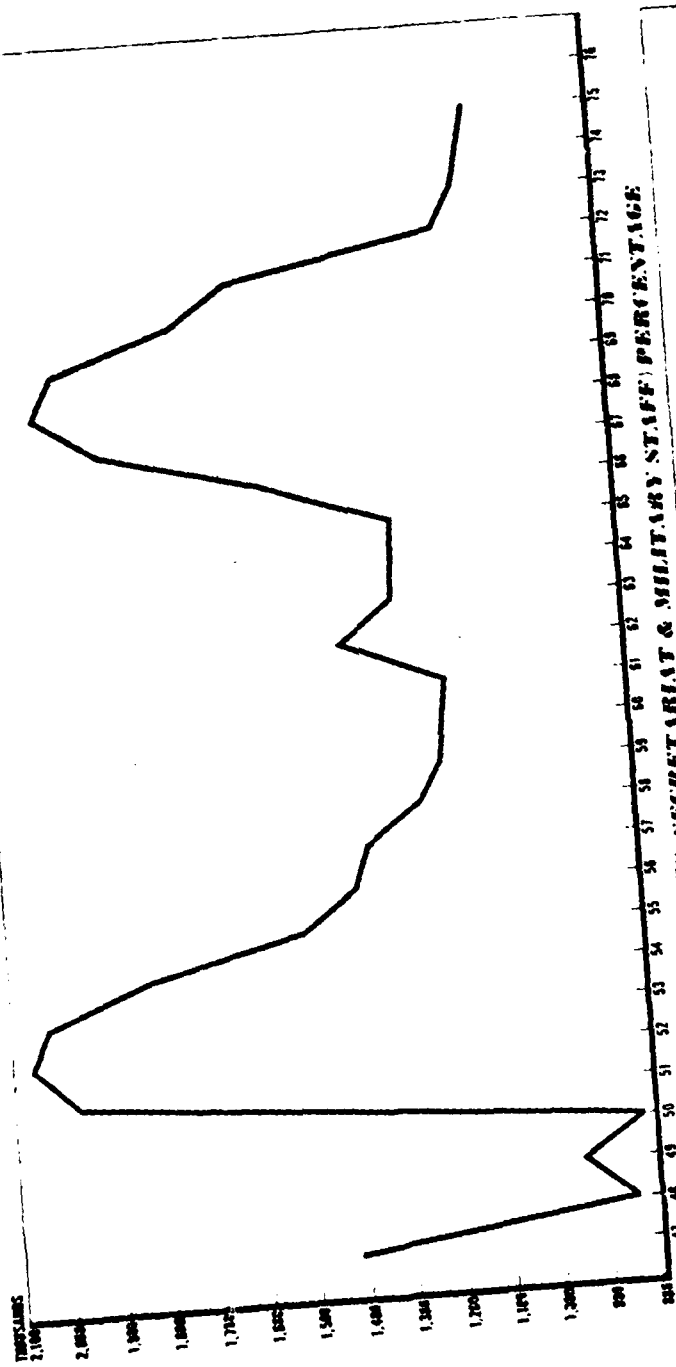
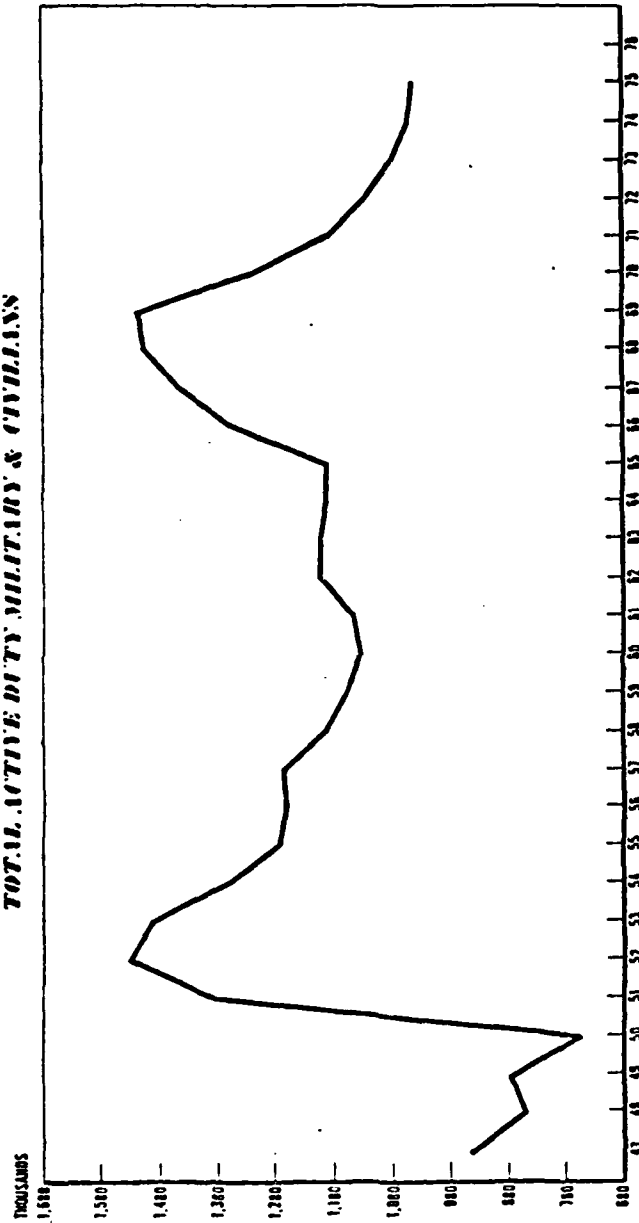


FIGURE 6
NAVY & MARINE CORPS
TOTAL ACTIVE DUTY MILITARY & CIVILIANS



NAVY & MARINE CORPS
HEADQUARTERS (SECRETARIAT & MILITARY STAFFS) PERCENTAGE

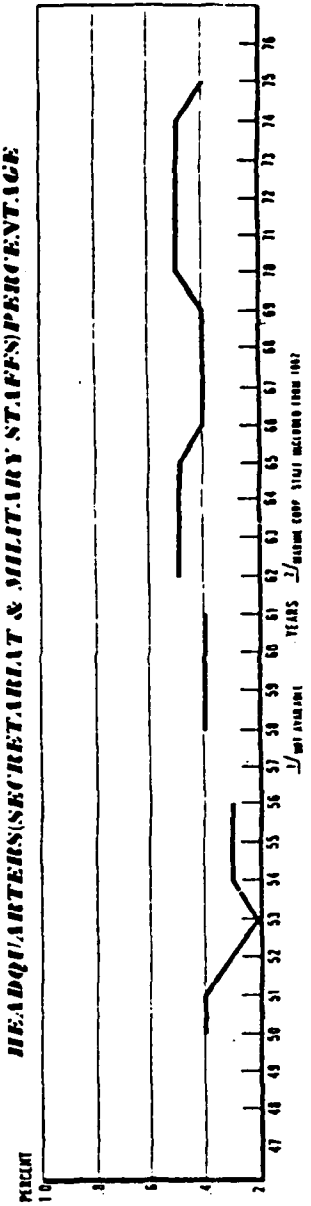
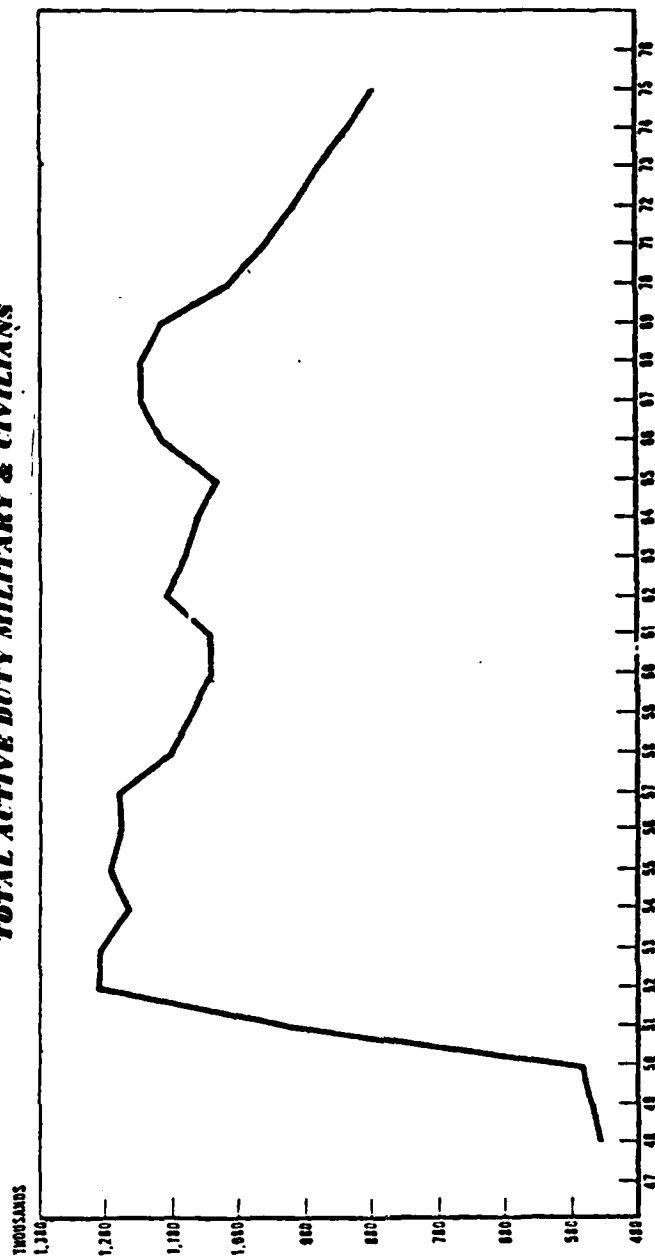


FIGURE 8
AIR FORCE
TOTAL ACTIVE DUTY MILITARY & CIVILIANS



AIR FORCE
HEADQUARTERS (SECRETARIAT & MILITARY STAFF) PERCENTAGE

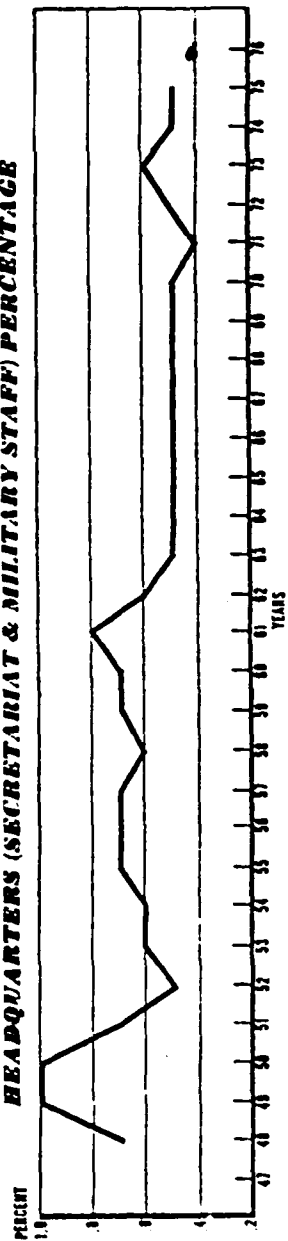


TABLE 4

Ratios of Personnel Strengths of
Management Organizations to
Total Force Managed

	Ratio		
	<u>1964</u>	<u>1968</u>	<u>1975</u>
DOD's top management headquar- ters to total DOD	-	1:184	1:190
OSD to DOD	-	1:1687	a/1:1462
Army:			
Top management headquar- ters to total Army	1:135	1:185	1:215
Secretariat to total Army	1:1397	1:2190	1:3249
Staff to total Army	1:149	1:202	1:230
Navy:			
Top management headquarters to total Navy	1:221	1:227	1:239
Secretariat to total Navy	1:901	1:919	1:1032
Staff (including Marine Corps) to total Navy	1:606	1:645	1:604
Air Force:			
Top management headquarters to total Air Force	1:196	1:208	a/1:190
Secretariat to total Air Force	1:2077	1:2369	1:1723
Staff to total Air Force	1:217	1:228	1:212

a/Decreasing ratio.

MILITARY AND CIVILIAN MIX AND GRADE STRUCTURE
OF DOD TOP MANAGEMENT HEADQUARTERS

DOD data shows a downward trend in the strength of top management headquarters. This section will show how the reductions in strength were allocated among the top management headquarters organizations and the resultant effects on the military and civilian mix of the personnel strengths and on the organizations' grade structures. (Further information on categories of personnel--supervisors, action officers, and support personnel--and on military to civilian ratios derived from analysis of personnel data from our DOD Headquarters Activity Survey is contained in app. V, pp. 121 to 124).

The aggregate military to civilian mix expressed as a percentage of DOD strength in fiscal years 1964, 1968, and 1975 was approximately 72 to 28, 73 to 27, and 67 to 33, respectively. Table 5 shows the military and civilian mix for DOD's top management headquarters, OSD, the military departments' top management headquarters, and their respective secretariats and staffs.

In every organization, except OSD and the Navy and Air Force secretariats, the percentage of civilian personnel strength has decreased, particularly in the Army. As the top management headquarters organizations decreased their personnel strengths, civilian personnel strengths decreased at a greater rate than military personnel strengths.

According to DOD, these decreases in the percentage of civilian personnel occurred by coincidence, not by design. There was not and is not a direct effort within these organizations to reduce the percentage of civilian personnel strength. Possible reasons cited for the decrease were:

- In the service staffs, department or division heads are usually military personnel and the subordinate staff are mainly civilian. When reducing the strength of the organization, reducing the number of subordinate positions is easier (discussion of the ratio of civilian versus military as heads of organizational elements is found on p. 125, app. V--Personnel - Categories of Personnel).
- The emphasis on reducing the strength of the top management headquarters organizations has required eliminating line-type (nonstaff) functions, which were usually performed by civilians.
- It is also easier to eliminate vacant civilian positions. (Many civilian positions are vacant because of hiring limitations imposed by higher authority.)

TABLE 5
Military/Civilian Mix
as Percentages of Organizations

<u>Organization</u>	<u>FY 1964</u>	<u>FY 1968</u>	<u>FY 1975</u>
DOD's top management head- quarters	-	38 / 62	45 / 55
OSD	-	28 / 72	a/29 / 71
Army:			
Top management head- quarters	28 / 72	31 / 69	38 / 62
Secretariat	14 / 86	14 / 86	30 / 70
Staff	29 / 71	32 / 68	39 / 61
Navy:			
Top management head- quarters	45 / 55	48 / 52	53 / 47
Secretariat	29 / 71	25 / 75	a/28 / 72
Staff	54 / 46	56 / 44	61 / 39
Marine Corps Staff	46 / 54	55 / 45	60 / 40
Air Force:			
Top management head- quarters	44 / 56	46 / 54	51 / 49
Secretariat	39 / 61	38 / 62	a/39 / 61
Staff	45 / 55	46 / 54	53 / 47

a/Increase or no change in percentage of civilians.

Grade structure

Although we had requested data from 1965, DOD was able to provide grade structure for all the top management head-quarters only from fiscal year 1971 through 1975. The grade structure did not change meaningfully during this period.

In our analysis, we emphasized determining how personnel reductions were allocated among the civilian and military grades, particularly at the higher grade levels.

From fiscal year 1971 through fiscal year 1975, the number of military officers in DOD's top management headquarters was reduced about 20 percent, while the number of professional civilians (GS-9 and over) was reduced about 30 percent. About

95 percent of the officer reduction was in grades 0-4 and above, and about 60 percent of the civilian reduction was in grades GS-13 and above.

Tables 6 and 7 show, for fiscal years 1971-75, the aggregate grade structure of the eight top management headquarters organizations and the grade structure of each individual organization expressed as a percentage of the total officer professional civilian personnel strength. (Grade structure data for FY 1975 was also obtained from our Activity Survey. This data and our analysis are shown in app. V - Grade Distribution, pp. 125 to 130).

Table 6
Military Grade Structure for
DOD's Top Management Headquarters
and Each Component Organization
Fiscal Years 1971 and 1975

	Percent of total officer strength in grades											
	07 and above		06		05		04		03 to 01		Warrant officer	
	71	75	71	75	71	75	71	75	71	75	71	75
DCD's top management headquarters	4	4	25	23	41	38	21	25	8	9	1	0
OSD	6	5	40	37	33	34	12	16	8	6	1	1
Army secretariat	5	5	33	29	37	38	13	16	6	7	6	4
Navy secretariat	5	4	29	26	25	27	17	18	22	25	2	0
Air Force secretariat	4	2	27	27	34	30	20	24	16	16	0	0
Army Staff	4	5	17	16	51	49	21	26	5	5	1	0
Navy Staff	5	5	37	33	33	35	18	22	6	4	1	1
Marine Corps Staff	-	4	-	13	-	26	-	40	-	16	-	1
Air Staff	3	3	23	18	38	36	26	29	10	13	0	0

Table 7
Civilian Grade Structure for
DOD's Top Management Headquarters and
Each Component Organization
Fiscal Years 1971 and 1975

	Percent of total professional strength in grades									
	GS-16 and above		GS-15		GS-14		GS-13		GS-12 to 9	
	71	75	71	75	71	75	71	75	71	75
DOD's top management headquarters	9	9	19	21	21	22	26	25	24	24
OSD	24	18	41	41	17	18	11	11	7	12
Army secretariat	17	31	16	20	18	6	13	4	36	39
Navy secretariat	8	5	29	28	19	27	21	19	23	21
Air Force secretariat	41	43	17	19	4	6	12	7	26	26
Army Staff	2	3	9	8	20	20	29	38	39	30
Navy Staff	5	5	25	28	21	24	17	18	32	26
Marine Corps Staff	-	1	-	6	-	13	-	24	-	56
Air Staff	3	3	1	12	26	29	37	34	23	22

Conclusions

The overall personnel strength of DOD's eight top management headquarters as a percentage of total DOD personnel strength has never been greater than 0.8 percent and has remained relatively constant. However, the size of OSD and Air Force top management headquarters relative to the force they managed in fiscal year 1975 has increased by 15 and 11 percent, respectively, from fiscal year 1968.

All top management headquarters, except OSD and Navy and Air Force secretariats, civilian strength has decreased at a greater rate than military strength. This is particularly applicable to Army.

There have not been any meaningful changes in the grade structure of these organizations since 1971. The majority of reductions have been in the higher officer (O-4 and above) and civilian (GS-13 and above) grades.

Recommendations

We recommend that the Secretary of Defense establish a long-term goal to achieve an accurate accounting of management headquarters personnel and gradually implement a full functional headquarters personnel accounting system. Meanwhile, the components should purge designated management

headquarters of line-type functions, where feasible, and, conversely, should transfer management headquarters functions (as defined in DOD Directive 5100.73) currently performed in nonmanagement units to designated management headquarters. DOD should adopt a detailed functional analysis technique for streamlining headquarters. Further, we believe that the specific approach developed by the Air Force (see p. 23) is sound and should be used by DOD's top management headquarters.

CHAPTER 3

STAFFING AND ORGANIZATIONAL CONSIDERATIONS

In conjunction with the recent Department of Defense headquarters review (see p. 20), each of the top management headquarters conducted and submitted an independent study of 10-, 20-, and 30-percent reductions. Each major component in the Office of the Secretary of Defense made an independent reduction study. For example, each Assistant Secretary of Defense (ASD) made an independent study of the impact of a 10/20/30 percent reduction in his organization. In OSD these separate studies were conducted along strict organizational lines. The study reports indicate that, in addition to possible reductions within specific organizations, gains in effectiveness or personnel reductions might result from consolidating elements across present OSD organizational lines or from consolidating elements of the military departments and OSD.

OSD SUGGESTIONS FOR CONSOLIDATION

Specific suggestions to reverse trends of the proliferation of major OSD offices were pointed out in the OSD 10/20/30 reduction studies. Included were suggestions for combining offices, as follows:

- ASD (Intelligence) and Director, Telecommunications and Command and Control Systems, or the Director, Telecommunications and Command and Control Systems, and the Defense Communications Agency.
- Director, Defense Research and Engineering; the Advanced Research Project Agency; and the Defense Nuclear Agency.
- ASD (Health and Environment) and ASD (Manpower and Reserve Affairs).
- ASD (Installations and Logistics) and the Defense Supply Agency.
- ASD (Public Affairs) and ASD (Legislative Affairs).
- The procurement functions of ASD (Installations and Logistics) and the Director, Defense Research and Engineering.
- Certain economic/projection aspects of ASD (Comptroller), ASD (International Security Affairs), and ASD (Program Analysis and Evaluation).

--Certain analysis functions of ASD (Manpower and Reserve Affairs) and ASD (Program Analysis and Evaluation).

--Net Assessment Group, the Office of the Assistant to the Secretary for SALT (Strategic Arms Limitation Talks), and ASD (Program Analysis and Evaluation).

--The analysis function within ASD (Intelligence) and ASD (Program Analysis and Evaluation).

STREAMLINING OSD

In May 1973 the Deputy Secretary of Defense directed the Assistant Secretary of Defense (Manpower and Reserve Affairs) to develop a plan for streamlining OSD. Activities and reports that only marginally contribute toward improving the defense posture were to be dropped, and redundant activities within OSD were to be minimized.

Taking the lead in OSD, the assistant secretary recently reorganized his office to

--concentrate on development analysis and supervision of policy and minimize involvement in details of execution of service programs and

--consolidate like functions, not only to achieve more logical program groupings but also to minimize interface problems, and relieve administrative burdens.

According to available data, this reorganization amounts to a planned reduction of about 8 percent. The effort to economize is commendable and should be expanded to other assistant secretary offices. However, it ignores possibilities to reduce unnecessarily redundant activities by consolidating like functions across organization lines.

POTENTIAL REDUNDANT ACTIVITIES AMONG THE VARIOUS DOD OFFICES

We developed the charts on pages 40 through 43 from data obtained in our questionnaire (see app. V) to show potentially redundant activities. They depict the fragmentation of activities within the eight top management headquarters and could serve as the basis for planning organizational consolidations and/or eliminations. While redundant activity cannot be pinpointed without an extensive desk audit, fragmentation can be used to assess the potential for unnecessary duplication.

Fragmentation is the division of activities; while duplication, by the American College Dictionary definition, is anything corresponding in all respects to something else. Although this method looks at fragmentation and duplication in a limited way, we assume that the more fragmented an activity is, the greater the probability for duplication of effort. (For a complete discussion of fragmentation and potentially redundant activities and our method of identification, see app. V--Fragmentation and Duplication of Activities, pp. 144 to 149.)

The charts depict the organizational placement of functions and/or activities within the eight DOD top management headquarters. The colored blocks represent the primary area activities of organizational elements (e.g., Compensation Directorate of Assistant Secretary of Defense for Manpower and Reserve Affairs) reported for each headquarters. The solid color blocks depict primary activities in that headquarters (e.g., CSD), which are in the top 60 percent of the total activities reported. The striped blocks represent the predominant activity for that particular organizational component (e.g., ASD (Intelligence)). These activities did not rank within the top 60 percent for the headquarters as a whole. The values in parentheses denote the number of organizational elements reporting. (See app. V, p. 136 for a detailed discussion of primary activities.)

One of the first impressions conveyed by the charts is a great deal of fragmentation and hence possible redundancy within the headquarters portrayed. However, redundancy does not necessarily follow. When you take the number of organizational elements engaged in the activity (in parenthesis) and the nature of the activity, a clearer understanding of potential redundancy emerges. Some activities by their very nature cross organizational as well as functional lines. For example, the fiscal and budgetary activity is a logical extension and primary activity of the comptroller function. It is also a logical subactivity of manpower, research and development; installations and logistics; etc.

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Addendum and Errata Sheet

1. At the bottom of the organizational charts on the following four pages add page numbers 40, 41, 42 and 43 in sequence.
2. Add at the bottom right hand corner of pages 40 through 43 "Source: DOD Headquarters Activity Survey, June 1975".
3. Under the Subject Area Color Code column on pages 40 through 43 the listing which reads "Congressional Liason" should read "Congressional Liaison".
4. On page 41 the Organizational block "Chief of Legislative Liason" should read "Chief of Legislative Liaison".
5. On page 41 the organizational block "Chief, Army Reserves" should read, "Chief, Army Reserve".
6. On page 41 the organizational block "Administration Assistant" should read "Administrative Assistant".
7. On page 41 the organizational elements reported (in parenthesis) in the organizational block "Chief of Information" should read "(4)" not "(2)".
8. On page 42 the organizational elements reported (in parenthesis) in the organizational block "Judge Advocate General" should read "(7)" not "(9)".

NOTE: If this report contains black and white organizational charts on pages 40 through 43; disregard the above, except for changes 1 and 4, and adhere to the following:

Page

39	Line 13	Delete <u>colored</u> .
39	Line 17	Substitute <u>letter</u> for solid color.
39	Line 19	Substitute <u>number</u> for striped.
144	Line 40	Delete <u>colored</u> .
145	Line 1	Substitute <u>letter</u> for solid color.
145	Line 4	Substitute <u>number</u> for striped.

PRIMARY ACTIVITIES THE OFFICE O

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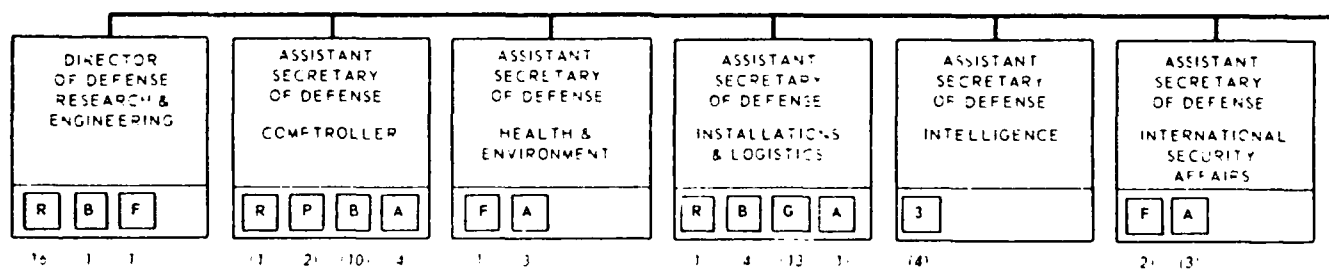
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NUMBER - PREDOMINANT ACTIVITY BUT RANKS IN BOTTOM 40 PERCENT

- NUMBER OF ORGANIZATIONS

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SOURCE: ODD HEADQUARTERS ACTIVITY SURVEY
JUNE 1975

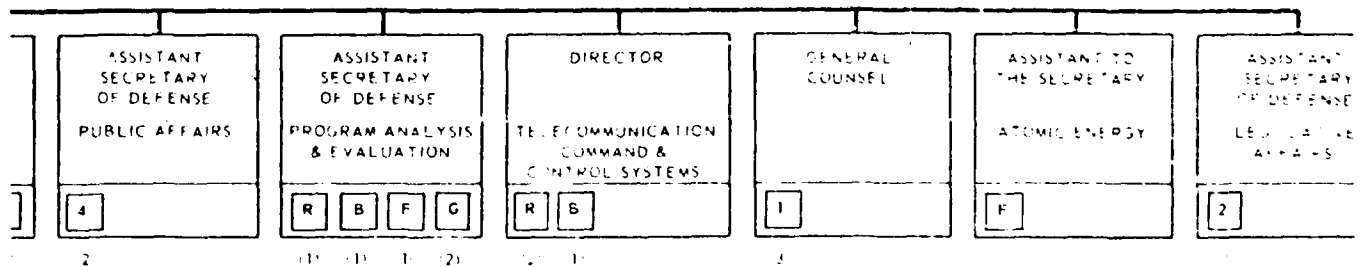
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SUBJECT AREA LETTER NUMBER CODE

R	RESEARCH & DEVELOPMENT
P	PERSONNEL
B	FINANCIAL & BUDGETARY
F	FOREIGN & CONTINGENCY PLANNING
G	LOGISTICS & SUPPLY
A	ADMINISTRATION & MANAGEMENT
1	LEGAL SERVICES
2	CONGRESSIONAL LIAISON
3	INTELLIGENCE
4	PUBLIC INFORMATION



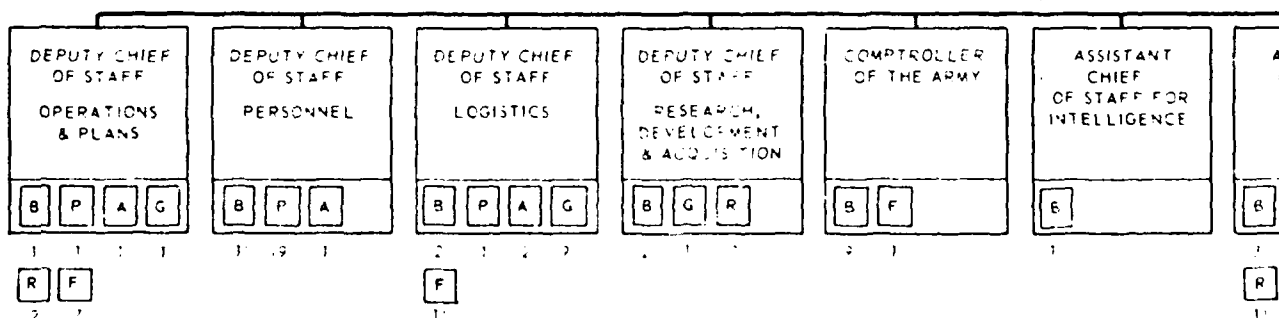
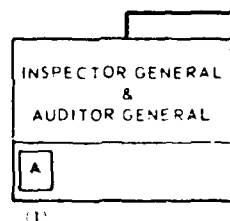
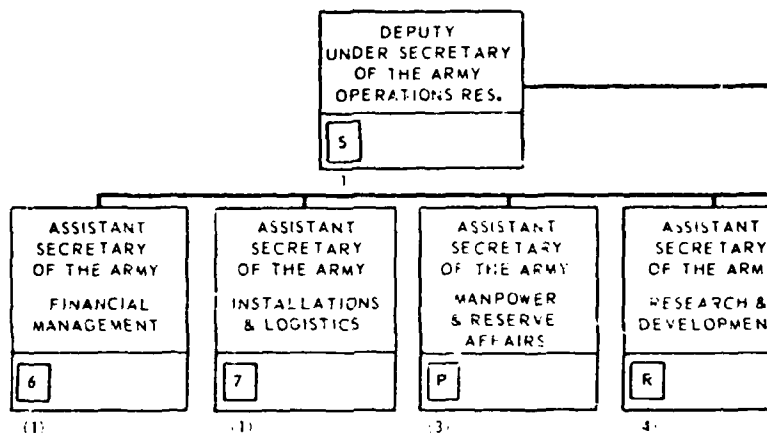
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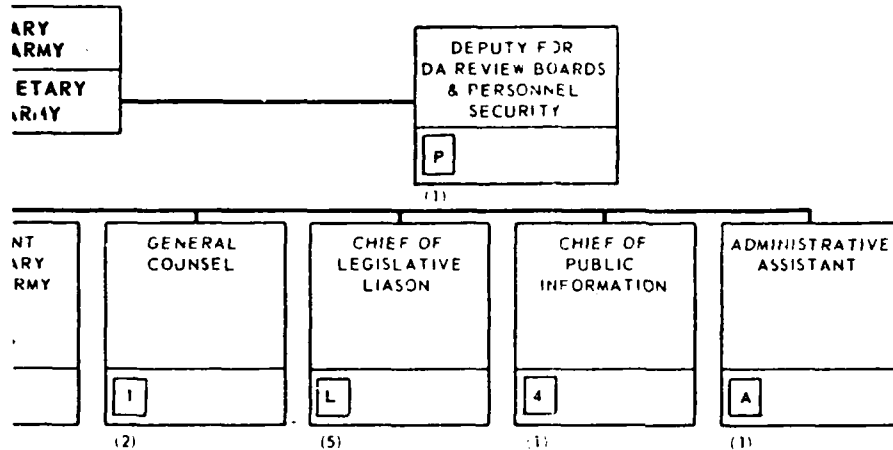
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JOINT CHIEFS OF STAFF ACTIVITY SURVEY
JUNE 1974

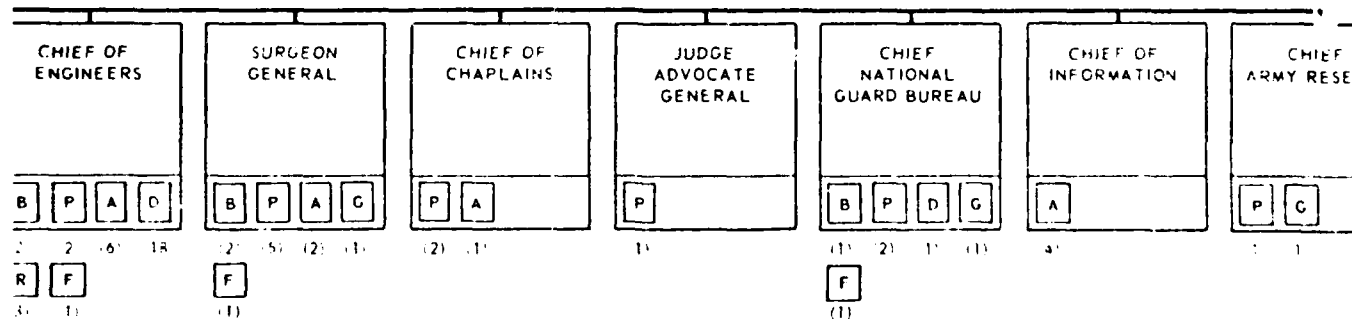
ORGANIZATIONAL ELEMENTS WITHIN OF THE ARMY



SUBJECT AREA LETTER NUMBER CODE

- R - RESEARCH AND DEVELOPMENT
- P - PERSONNEL
- 6 B - FISCAL & BUDGETARY
- F - FORCE & CONTINGENCY PLANNING
- 7 G - LOGISTICS & SUPPLY
- A - ADMINISTRATION & MANAGEMENT
- L - CONGRESSIONAL LIAISON
- D - FACILITIES & CONSTRUCTION
- I - LEGAL SERVICES
- 5 - AUDIT & INSPECTION
- 4 - PUBLIC INFORMATION

STAFF OF STAFF



PRIMARY ACTIVITIES OF ORGANIZATION

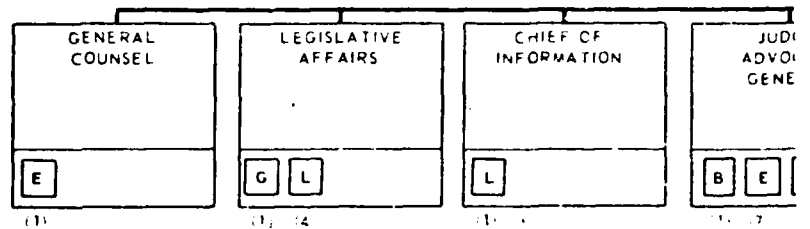
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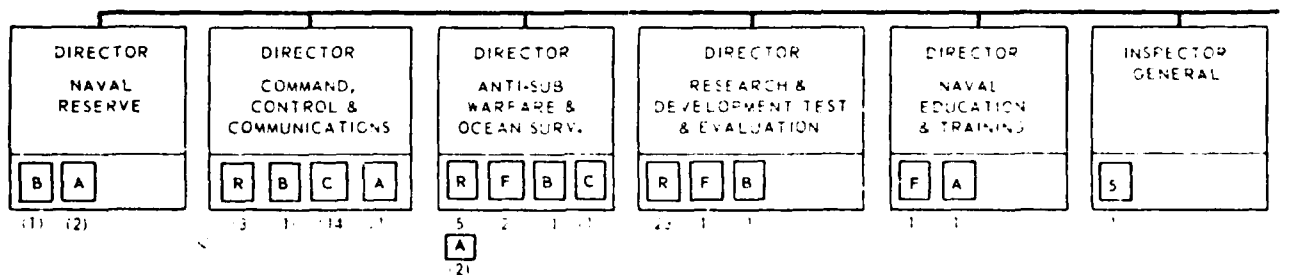
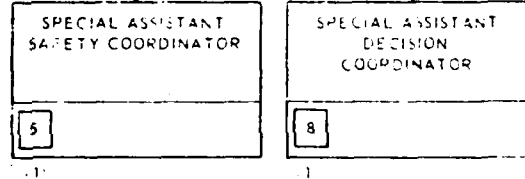
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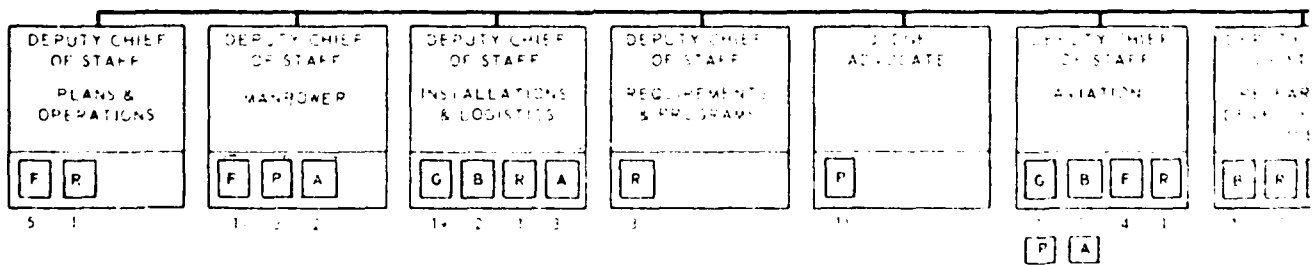
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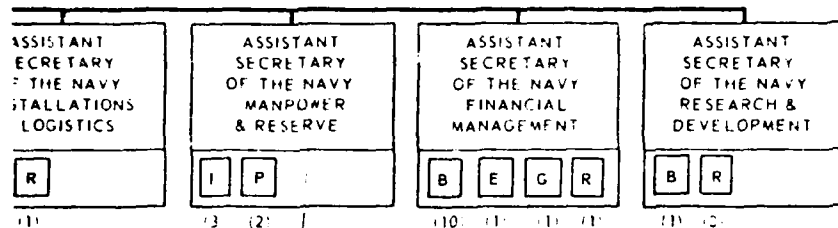
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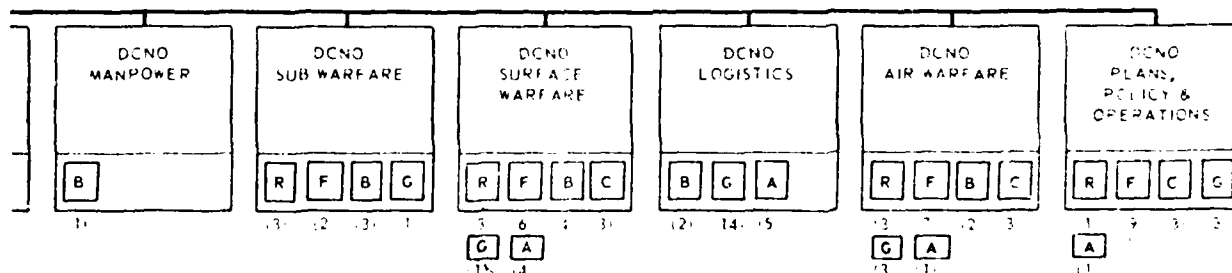
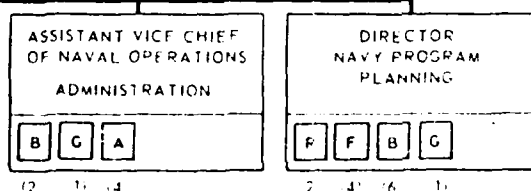
SOURCE: ODD HEADQUARTERS ACTIVITY SURVEY, JUNE, 1975

5 WITHIN THE DEPARTMENT OF THE NAVY

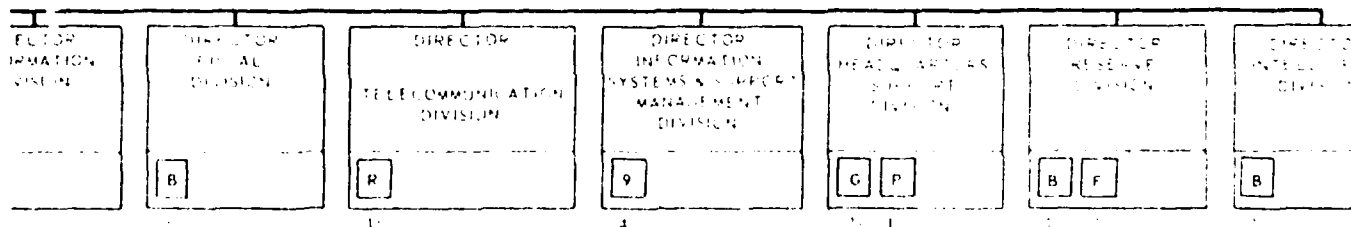
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SUBJECT AREA LETTER NUMBER CODE

- R - RESEARCH & DEVELOPMENT
- B - PERSONNEL
- B - FISCAL & BUDGETARY
- F - FORCE & CONTINGENCY PLANNING
- G - LOGISTICS & SUPPLY
- A - ADMINISTRATION & MANAGEMENT
- E - SPECIAL SERVICES
- I - INTERNAL STAFF ADMINISTRATION
- L - CONGRESS & LIAISON
- C - COMMAND, CONTROL & COMMUNICATIONS
- S - AUDIT & INSPECTION
- 4 - PUBLIC INFORMATION
- 9 - A.P.

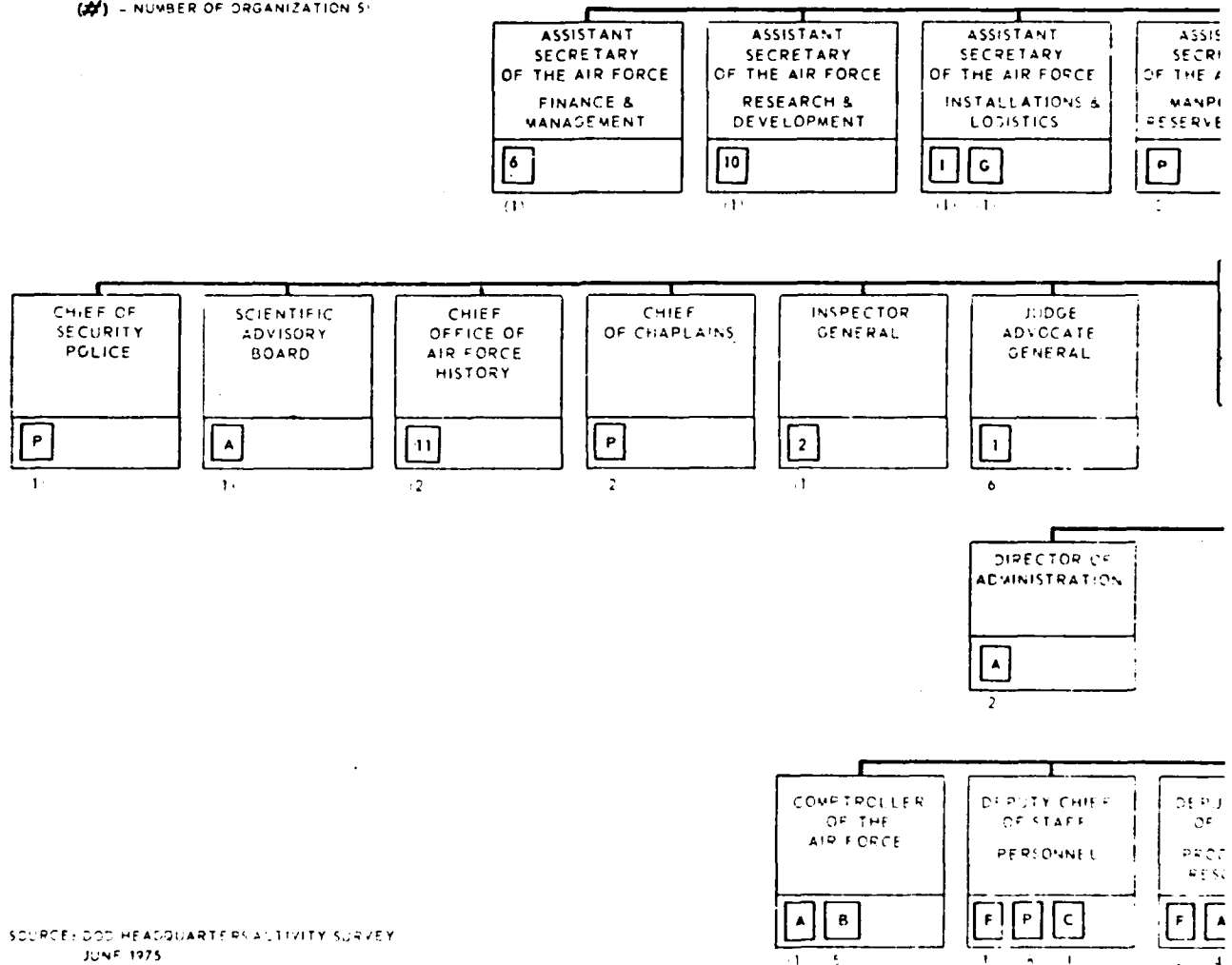
PRIMARY ACTIVITIES OF ORGANIZATIONAL

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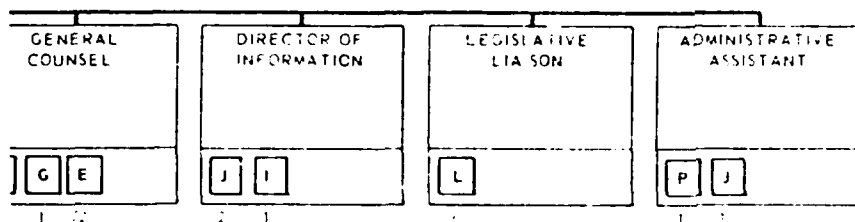
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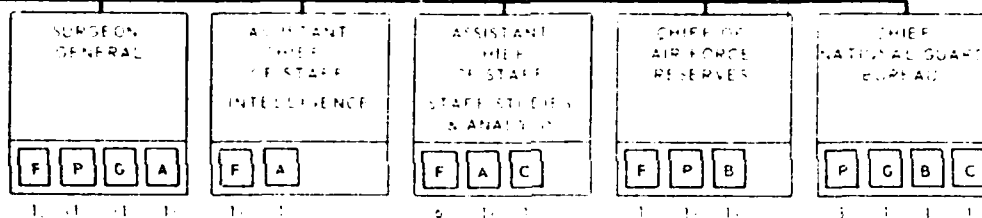
SOURCE: DOD HEADQUARTERS ACTIVITY SURVEY
JUNE 1975

WITHIN THE DEPARTMENT OF THE AIR FORCE

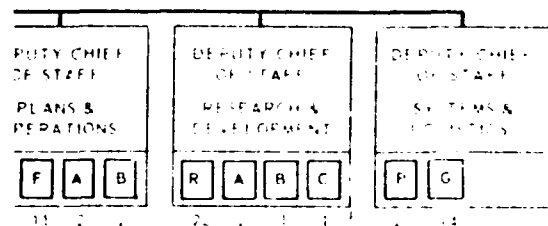
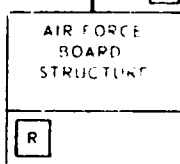
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SUBJECT AREA LETTER NUMBER CODE

- 10 R - PERSONNEL DEVELOPMENT
- P - PERSONNEL
- 6 B - POLITICAL & SECURITY
- F - FORCE & CONTINGENCY PLANNING
- G - LOGISTICS & SUPPLY
- A - ADMINISTRATION & MANAGEMENT
- 1 E - EDUCATION
- 11 I - INTERNATIONAL AFFAIRS & MILITARY
- 2 L - PERSONNEL LIAISON
- C - TRAINING, INSTRUCTION & RESEARCH
- J - SUPPORT & MAINTENANCE

CONCLUSIONS

Although we did not identify specific opportunities to combine elements within the top management headquarters of the military departments, the charts on pages 40 through 43 indicate that opportunities may exist.

The recent effort to economize in the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) is commendable and should be expanded to other assistant secretary level offices. However, it fails to take into account possibilities for reducing unnecessarily redundant activities by consolidating like functions across assistant secretary level organization lines.

DECISIONMAKING IN THE CURRENT ORGANIZATIONAL STRUCTURE

In its report to the President and Secretary of Defense, the Blue Ribbon Defense Panel proposed sweeping reforms. Many of the recommendations were similar to proposals contained in past studies. The Rockefeller Committee of 1953 is quoted frequently, and there are similarities to the Symington report of 1960-61, the result of a study assigned to Senator Stuart Symington by Presidential candidate, Senator John F. Kennedy. The Symington report, released December 5, 1960, evaluated the organization of the Armed Forces and recommended sweeping changes. These recommendations included eliminating the Army, Navy, and Air Force departments and consolidating them, as separate organic units, within a single Defense Department. When this recommendation was not implemented, the planning-programming-budgeting system (PPBS) was introduced as a substitute in 1961.

The introduction of PPBS is sometimes referred to as the defense management revolution of 1961. The strengthening of defense management through PPBS is associated with the centralization of authority under the Secretary of Defense. PPBS has a distinct centralizing bias; it is the Secretary of Defense's instrument for controlling the vast military establishment. It elevated to the Secretary of Defense level, decisions and actions that had been the province of the service secretaries.

Proponents of a highly centralized defense structure contend that (1) such a structure is dictated by scientific and technological advances that are revolutionizing strategy and the nature of defense problems, and (2) centralization is necessary for the military to adapt to the national purpose and strategy. Only through centralization, they argue, can all factors bearing on the use of military force be

properly weighed to enable the United States to react to security threats with strength, rapidity, and restraint. They believe that centralization offers the only hope of resolving interservice rivalries, minimizing duplication, and keeping defense costs within manageable limits.

Opponents of centralization recognize that civilian control of the Armed Forces is a basic principle of the American system of Government, but object to what they consider to be undue involvement of civilian staff in details of program execution and especially to OSD's reliance on mathematical calculations and academic theories at the expense of experienced military judgment. According to them, the multiple layers of control cause endless delays, and the shifting of many functions from the services to OSD is eroding the creativity, morale, and judgment of lower level managers.

The Secretary of Defense, during the introduction of PPBS, insisted that "centralized direction and decentralized operation" prevailed--that top level management concentrated on solutions to policy problems and on guidance to lower level managers on implementing approved policies and programs. Departmental components were expected to exercise their full responsibility for efficiently executing their assigned tasks. In 1965 he reported that, rather than more and more power being concentrated at the top of the Defense pyramid, power was being decentralized as other activities were established.

For example, the Defense Communications Agency, the Defense Supply Agency, the Defense Contract Audit Agency, and the Defense Intelligence Agency were established on the concept of efficient and effective management of multiservice, department-wide functions. Accordingly, management of these agencies is separate from the military departments and directly under OSD and/or OJCS.

The Secretary reported that he expected no major new developments in DOD's internal administration, only refinements and improvements. Further consolidating common functions was still possible, but there seemed to be no pressure for and little interest in merging the services into a single unit. Along with the traditions, esprit de corps, and pride of the services, the Secretary of Defense and his deputy believed separate military departments to be essential to efficient resource management. In 1966 the Deputy Secretary of Defense, addressing the subject of centralizing all defense authority in a single staff said:

"I believe very deeply in the importance of, and the need for, Military Departments. We can't run the Defense Department without them . . . With from \$12 to \$20 billion a year in resources to manage, it seems to me essential to have a Service Secretary and a Chief of Staff who can administer such a vast program. Also, I believe that separate Military Departments are very important in terms of morale and esprit, which are largely the result of the long tradition of each of the Services. I think it would be very wrong to do away with them. [We can have] unity of effort . . . without unification of the Military Departments."

DOD is a dynamic organization. (The dynamic nature of DOD is discussed in app. V--Organizational Change, p. 150) Changes in missions and methods, in technology and emphasis; development of special requirements; and discovery of better ways of dividing the work all routinely bring about changes in structure and function. (Internal and external organizational influence on defense policy is discussed in app. V, pp. 154 and 155.)

Influences that change organizational forms are both external and internal. External influences over defense organizational decisions come from the Congress, the White House, the public, and the press. Congressional influence is evidenced, in part, by the statutory existence of JCS, the Director of Defense Research and Engineering, and the Assistant Secretaries of the military departments for Manpower and Reserve Affairs. The direction and intensity of defense program emphasis are also influenced by legislation not directed solely at DOD, such as the Freedom of Information and the Privacy Acts. As a result of these relatively new laws, organizations have been restructured, staffs have been expanded, and functions have been redistributed. White House influence on defense organization is evidenced by a November 5, 1971, Presidential memorandum which directed consolidation of DOD mapping, charting, and geodetic activities and brought about the establishment of the Defense Mapping Agency. (See app. III for a brief illustration of the influence of defense reorganization legislation since 1947.)

The many internal influences affecting defense organizational structure include the personal philosophy and management style of the Secretary of Defense.

When Robert S. McNamara became Secretary of Defense in 1961, he stated that:

"Either of two broad philosophies of Management could be followed by a Secretary of Defense * * * a passive role or an active role, one of questioning, suggesting alternatives, proposing objectives, and stimulating progress."

He chose the latter course, one of centralized direction and decentralized operation. The service secretaries as operational managers were expected to exercise their full responsibilities for the efficient execution of their assigned tasks. PPBS, introduced during Mr. McNamara's tenure, promoted this management philosophy.

When Melvin R. Laird was appointed Secretary of Defense on January 22, 1969, many believed that DOD organization would be scrutinized and that defense management would be extensively revised. Under Mr. Laird's tenure, the Blue Ribbon Defense Panel report was published. In testimony before the House Defense Appropriations Subcommittee about 8-1/2 months after the panel report was issued, the Deputy Secretary of Defense said that of the 113 panel recommendations, 11 had been rejected outright by DOD, 48 had been fully implemented, and the other 54 fell somewhere in between. The major recommendations, those directly concerning organization, were not fully implemented. These recommendations, intended to decentralize the decisionmaking process between three Deputy Secretaries of Defense, would have fostered increased centralization of operational management of the military departments in OSD. Mr. Laird stressed his resolve to reduce centralization of the decisionmaking process through participative management. In October 1972 the Congress authorized a second Deputy Secretary of Defense. This authority was exercised during our review with the appointment of a second Deputy Secretary of Defense.

The Secretary of Defense in office during our review, James R. Schlesinger, seems to have brought still another management style to DOD and promoted centralized operations.

The military department secretariats are structured to support the Secretaries as the operational managers of their departments. We found, however, a trend of increasing OSD involvement in day-to-day management of the military departments. This was particularly noticeable in the areas of installations and logistics, manpower, personnel, and research and development. In these areas, we were able to identify specific attempts by OSD staff to become involved in the

Details of service programs (e.g., the service bonus programs, see p. 85). (Additional data on the centralization of authority and the involvement of OSD, secretariats, and staffs in certain management actions are shown in app. V, pp. 150 to 168.)

At the time of our review, the Secretary of Defense had 13 staff assistants with specific functional responsibilities and a staff of over 2,000 to support him in DOD-wide management. This complicated arrangement of organizations (with directors, assistant secretaries, deputies to the assistants, etc.) constitutes a proliferation and extension of the authority of the Secretary of Defense. This broad exercise of authority affects the organizational structure of the military departments; its influence and demands spread downward and outward to the smallest commands. As requests in the name of the Secretary of Defense are made to the military departments, each organizes and staffs itself to respond to the level of detail imposed, responding almost always by creating new offices mirroring the organizational structure of the requesting authority. Furthermore, to the extent that these authorities circumvent the service secretariats and the formal system for controlling requests (see p. 79) or become involved in excessive details of the services' programs (micromanagement), the less effective becomes the organization of DOD. Therefore, as more management is centralized in OSD, the less need there is for service secretariats. For example, if the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs gets involved in micromanagement of the service manpower and personnel programs, then the need for the offices of the Assistant Secretary of Army, Navy, and Air Force for M&RA becomes dubious. In fact, these offices then are relegated to the role of a figurehead, acting only as conduits between OSD and the military staffs.

With regard to OSD's involvement in micromanagement, the Deputy Secretary of Defense has stated: (1) OSD should devote its time to formulating and evaluating policy and to supervising policy execution, and (2) the size and complexity of OSD suggests that greater emphasis is given to the form and process of management than to the substance of the policy issues that OSD should be treating. (OSD's involvement in other than the above-mentioned areas is shown in app. V Involvement in Management Actions, pp. 157 to 162, Origins and Influences of External Management Actions, pp. 163 to 165.)

In addition, the Deputy Secretary of Defense advised us that the military departments are organized to support the service Secretaries as operational managers of their departments; however, the appropriateness of this arrangement varies according to the personal philosophy and

management style of the Secretary. If the Secretary's personal philosophy and management style is one that promotes centralized management, the utility of the current organization arrangement of the military departments decreases. This view was generally shared by high level officials within the department. This situation is inherent as long as the Secretary has the flexibility to bring a fresh management style to the Department. The adoption of the following principles, according to the Deputy Secretary, would lessen any negative results that a change in personal philosophy and management style of a new Secretary might have on the existing organizational structure of the military departments, (1) the tenure of the assistant secretaries of both OSD and the military departments and the service chiefs and their deputies should be stabilized; (2) managerial capabilities should be the dominant consideration in selecting candidates for key DOD positions, and (3) principal officials (e.g., service secretaries and chiefs of staff) should be charged with a degree of accountability equal to their assigned responsibilities.

He agreed that continuity within the service secretariats would be enhanced by creating a position of deputy assistant secretary in each organizational element under an assistant service secretary, as presently in the Department of the Army. This arrangement provides the continuity essential to accomplishing organizational goals.

OSD and its related offices cannot be blamed for all the micromanagement, projects, and information requirements to which the military departments must be responsive. Every executive, legislative, and judicial department and agency exerts some sort of demand on DOD, and almost all require some form of detailed periodic reporting or accounting within their purview. (See ch. 6 for a detailed discussion of some of these demands and app. V--Generation of Workload, p. 169, for additional information on the origins of DOD workload.)

Conclusions

Although the military departments are separately organized and the secretaries manage their departments' resources, the personal philosophy and management style of the Secretary of Defense can cause them to be relegated to a lesser role. A personal philosophy and management style that enhances OSD managerial involvement in excessive

Details of the services' programs (micromanagement) reduces the need for the service Secretaries. Conversely, a personal philosophy and management style that limits OSD involvement in service programs to formulating and evaluating policy execution (macromanagement) results in maximizing the role and utility of the service secretariats.

Major DOD organizational elements have been repeatedly reorganized for various reasons, ranging from major efforts to improve efficiency, to reactions to external realities, and to internal bureaucratic maneuvering; yet, many of the basic organizational faults and problems touched by previous studies remain. Notwithstanding the organizational problems within OSD, the basic problem with DOD appears to be a fundamental systematic flaw rather than a structured weakness (i.e., failure in the decisionmaking process rather than a failure to hit on the right set of organizational relationships). It follows that this problem is not solvable simply by continuing to switch responsibilities within OSD.

Consider the scope of the Secretary of Defense's job. An organization with the responsibility for managing billion-dollar programs requires strong central policy direction and executive control. No one man can do it all, and no single staff can do it for him. The Secretary should make decisions, formulate policy, and maintain independent evaluation of policy extension and effective management. However, except for those programs which require cross service management, the Secretary and his staff ought not be required to execute or manage the details of service programs. The question then becomes: How should the Secretary of Defense delegate his authority? Ideally, he ought to delegate all but the most important and far-reaching decisions and reserve to himself only those that cannot be made at a lower level. Doing so would free him and his staff to concentrate on the form and substance of broad policy issues. It could also increase the risk that his specific desires would not be brought directly to bear. However, setting clear decision thresholds would preclude loss of control by OSD.

All key decisions involving major program changes should continue to be subject to close and continuous scrutiny. However, when the Secretary of Defense, his deputy, and/or his assistants attempt to participate in day-to-day decisions, they tend to become bogged down in details, pragmatism, and short-term problem solving. The increasing involvement in service program execution at the OSD level reduces the autonomy of the service secretaries and thereby reduces their ability to make decisions on issues which are more relevant to them or on which they often have more expertise.

DOD is a giant which can be managed only by delegating authority, setting firm jurisdictional boundaries, clarifying channels of communication, and relying on unbiased professional expertise. Since the military departments are separately organized and the service secretaries are resource managers, it is logical that they be given the authority to manage. They are in effect, presidents of operating companies. They serve many useful functions, particularly resource management, personnel administration, budget justification, and establishment of unique service policies. (Further discussion on the interrelationship of service secretariats' workload is contained in app. V--Generation of Workload p.169.) Perhaps their most important role is that of buffers and interpreters between the military staffs and OSD--they act as a check and balance when those parties have jurisdictional disputes. Their presence prevents an adversary relationship from developing between OSD and the military staffs, wherein dialogue breaks down and either party makes judgments or takes significant independent action.

Additionally, it is logical for the service secretaries to have assistants with formal functional assignments, such as the Assistant Secretaries of Manpower and Reserve Affairs. This arrangement clarifies communications channels and enhances operating relationships. Existing legislation gives the service secretaries the necessary authority to manage their departments. Although responsibility for key agency decisions rests with the Secretary of Defense, the service secretaries should be allowed to fully exercise this authority and should be held strictly accountable for efficient management of their departments' resources.

RECOMMENDATIONS

We recommend that the Secretary of Defense (1) establish thresholds which clarify OSD decision points in service program review and evaluation, (2) strongly endorse the role of the service secretaries as the managers of their departments, (3) except for those programs which require cross-service management, limit participation of the various elements within OSD to formulation and evaluation of DOD policy and supervision of efficient policy extension, and (4) strongly endorse the effort to streamline OSD elements.

The development of a plan to streamline OSD activities and the responsibility for monitoring execution of the plan should be assigned to an ad hoc group with members representing all the various DOD components, including OSD and the military departments. The director of this group should

have direct access to the Secretary of Defense and should be independent of the office of any Assistant Secretary of Defense or equivalent.

Regardless of whether the military departments are separately organized with the service secretaries as operational managers, unless legislation clearly limits the Secretary of Defense to one management approach in dealing with various DOD components, the degree of compatibility between the organizational structure of the military departments and the Secretary of Defense's managerial approach (which dictates the utility of the organizational structure of DOD components) is uncertain. We believe the "cure" of restrictive legislation may be worse than the "disease." If so, then the following recommendations, to the Secretary of Defense, which endorse the views of the Deputy Secretary of Defense, may lessen any negative results that a fresh personal philosophy and management style of a new Secretary of Defense may have on the organizational structure of the military departments' top management headquarters.

- The tenure of the assistant secretaries of both OSD and the military departments and the service chiefs and their deputies should be stabilized.
- Managerial capabilities should be the predominant consideration in selecting candidates.
- Principal officials (e.g., service secretaries and chiefs of staff) should be charged with a degree of accountability equal to their assigned responsibility.

In addition, continuity within the service secretariats would be enhanced by creating a position of deputy assistant secretary in each organizational element under an assistant service secretary, as is presently the case in the Department of the Army. This arrangement provides the continuity essential to accomplish organizational goals.

Recent efforts to streamline DOD top management headquarters were limited to reductions within specific organizations (e.g., within offices of assistant secretaries). In addition to possible personnel reductions within these organizations, gains in effectiveness might result from consolidation across organizational lines. Some of the numerous possibilities are shown in the charts on pages 40 through 43. In addition, specific suggestions for consolidation concerning OSD elements, identified by DOD studies, are outlined on page 37.

The Secretary of Defense should continue to streamline OSD and we recommend that he pay particular attention to these suggestions. As indicators of potentially duplicative effort, they serve as the precursors to consolidation and/or elimination studies.

These recommendations may not correct all the problems of DOD, but it would appear to have a better chance of doing so than would just another effort to change the organizational structure.

CHAPTER 4

BLUE RIBBON DEFENSE PANEL PROPOSALS

TO REORGANIZE THE MILITARY DEPARTMENTS

The Blue Ribbon Defense Panel proposals were designed to improve defense management and organization. The major proposals would alter the size of, and the relationship between, OSD and the military departments top management headquarters. Based on fiscal year 1970 strength data, the proposals would reduce these headquarters by about 65 percent. Defense Management would become more centralized through increased OSD involvement in certain functions previously assigned to the military departments.

The recommendations that promote this increased centralization are designed to solve the problem, as perceived by the panel, of duplication between (1) the military department secretariats and the service military staffs and (2) the secretariats and OSD. This chapter focuses on certain organizational aspects of the panel's proposals, particularly recommendation I-7, which would limit the number of assistant service secretaries to three, reduce their influence in specific functional areas, and integrate the service secretariats and military staffs. During the study, the panel was exposed to a broad spectrum of experience-based opinion that deficiencies within DOD could not be remedied without either integrating or drastically restructuring the military departments. According to the report, this opinion was based, in part, on the recognition that the changes made in defense organization after 1947 (the date of the National Security Act), whether by reorganization plan or by statutory amendment, were all primarily designed to remedy the same types of problems as those uncovered by the panel.

THE PANEL'S RECOMMENDATIONS IN PERSPECTIVE

In July 1970 the Blue Ribbon Defense Panel, composed of 16 nonmilitary members, completed its year-long study of the Defense Establishment and released a comprehensive report. The report made 113 recommendations covering the following areas:

--Defense organizations--recommendations I-1 through I-15.

--Management of materiel resources--recommendation II-1 through II-36.

--Management and procedures--recommendations III-1 through III-21.

--Management of personnel resources--recommendations IV-1 through IV-13.

--Other management considerations-- recommendations V-1 through V-19.

--Conflicts of interests--recommendations VI-1 through VI-9.

The report's recommendations range from highly controversial proposals to fairly innocuous ones. The dimensions of the panel's review and the apparent support that the President and the Secretary of Defense gave to it indicate that it belongs in the series of important high-level studies of the Defense Establishment made after World War II. These studies include broad-scale studies of DOD by the two Hoover Commissions (1949 and 1955) and the Rockefeller Brothers Panel (1956-58).

A central theme of the panel's report is that organizational defects seriously impede DOD management. The panel's findings included both old and new criticisms. It alleges that civilian control of the Defense Establishment is impaired by excessive and improper centralization of decision-making with the Secretary of Defense.

The report contends that there are too many layers of military and civilian staffs and that all are too large. The result is an excessive amount of paper shuffling and coordination, which contributes to delays and high costs.

To improve these and other conditions, the panel made 15 recommendations on Defense organization. Some proposals revived previously rejected ideas. The panel contended that (1) DOD should be reorganized along functional lines as a prerequisite to clarifying the responsibilities of all military managers and officials and (2) responsibility should be supported by requisite authority.

Especially forthright are the panel's recommendations for structural changes in DOD's top strata. The proposed changes touch on sensitive and controversial issues, including the roles of JCS and the services. The panel would re-group nearly all Defense activities along functional lines into more manageable segments. According to the panel, too many matters come to the Secretary of Defense and his Deputy for decision. It would replace the Deputy Secretary of Defense with three Deputy Secretaries of Defense; one to head

the management of resources, including weapons, manpower, procurement, and research and engineering; another to evaluate weapon systems and finance; and a third to supervise military operations. Defense agencies would be included in this restructuring.

The most controversial proposal calls for relieving JCS of its delegated responsibilities for military operation so that it can concentrate on military planning and advice. The military operations functions now carried out by JCS and the military services would be assigned to a senior military officer and a new operations staff. This officer would report to the Secretary of Defense through the proposed Deputy Secretary of Defense for Operations. The report is vague about how this top-ranking officer would be selected but suggests that the President could select the Chairman of the JCS for this post.

The proposal to restrict JCS to planning and advisory functions is not new. Yet, this is the most controversial recommendation in the report, since it could reduce the influence of JCS.

The new Office of the Deputy Secretary of Defense for Operations would include Assistant Secretaries for (1) Operational Requirements, (2) Intelligence, (3) Telecommunications (and automatic data processing), and (4) International Security Affairs. This organization would also include the Defense Communications Agency and possibly a new civil defense agency.

The extensive responsibilities of the proposed Deputy Secretary of Defense for the Management of Resources would include the military departments, which should continue under the immediate supervision of their secretaries. Five functions would fall to this Deputy Secretary, each of them under an Assistant Secretary, (1) research and advanced technology, (2) engineering development, (3) installations and procurement, (4) manpower and reserve affairs, and (5) health and environmental affairs. The position of Director of Defense Research and Engineering would be abolished and its functions reallocated between the Assistant Secretary of Defense for Research and Advanced Technology and the Assistant Secretary for Engineering Development.

A proposed third major group, to be headed by a Deputy Secretary of Defense for Evaluation, would include (1) comptroller, (2) program and force analysis, and (3) test and evaluation, and each under an assistant secretary. Also assigned to this structure would be the Defense Contract

Audit Agency and a new activity, the Defense Test Agency. This new agency would monitor all defense testing and evaluation, designing tests and review of test designs, and related functions, with emphasis on operational testing.

Functionally dividing DOD into the three major groups was aimed at decentralizing responsibility to relieve the Secretary of the pressure of decisionmaking by transferring to three major civilian deputies the burden of decision within their areas. At the time of the panel's study, 27 major offices reported directly to the Secretary and the Deputy Secretary of Defense, including the three military departments (currently about 23 major offices report directly to the Secretary and Deputy Secretary). A tri-deputy system might help reduce the number of individuals reporting directly to the Secretary.

The DOD Reorganization Act of 1958 specifies that the military departments are to be separately organized with the service secretaries as operational managers. The tri-deputy proposal, however, reduces the service secretaries' roles to that of supervisors. Under the Deputy Secretary of Defense for the Management of Resources, the service secretaries would be on the same level as the five assistant secretaries, who would have specific functional responsibilities. At the time of the panel study, each service secretary had four Assistant Secretaries with functional responsibilities to support him in his role as operational manager. The panel proposed that the service assistant secretaries be stripped of functional responsibilities, except in the Financial Management area. The Assistant Secretaries of Defense would assume managerial responsibilities in the functional areas previously assigned to the service assistant secretaries.

Concerning the organizational placement of the service secretaries, the panel chairman, in a National War College briefing, claimed that the purpose was to upgrade the secretaries by decentralizing some of the responsibilities of the Secretary of Defense.

RECOMMENDATION I-7

This recommendation, which deals with restructuring the military departments, is composed of seven separate but related subrecommendations. The recommendation is shown below.

"The number of Assistant Secretaries in each of the Military Departments should be set at three, and except for the Assistant Secretaries (Financial Management),

they should serve as senior members of a personal staff to the Secretaries of the Military Departments without the existing limitations of purview imposed by formal functional assignments. The Assistant Secretary (Financial Management) should become the Comptroller of the Military Department, with a military deputy, as in the current organization in the Department of the Navy.

The Secretariats and Service Military Staffs should be integrated to the extent necessary to eliminate duplication; the functions related to military operations and intelligence should be eliminated; line type functions, e.g., personnel operations, should be transferred to command organizations; and the remaining elements should be reduced by at least thirty percent. (A study of the present staffs indicates that the Secretariats and Service staffs combined should total no more than 2,000 people for each Department)."

The following sections address the rationale for the seven subrecommendations.

1. The number of assistant secretaries in each military department should be set at three.

At the time of the panel study, each military department had four assistant secretaries and a general counsel. We could not determine why the panel proposed to fix the number of assistant secretaries at exactly three. However, the reduction in the number of assistant secretaries seems to be generally based on the view that the number of personnel supervised by the assistant secretaries and general counsels is too low. According to the panel report, these five senior officials were responsible for supervising the work of 171 of approximately 1,000 personnel in the Army secretariat, 124 of about 1,900 in the Navy, and 169 of about 525 in the Air Force.

Since the panel report was issued, the number of Assistant Secretaries of the Army has increased to five. The Navy and Air Force each still have four.

2. Except for the Assistant Secretaries for Financial Management, the assistant secretaries should serve as senior members of a personal staff to the secretaries of the military departments without the existing limitations of purview imposed by formal functional assignments.

The rationale here is similar to that for reducing the number of assistant secretaries--the panel believed that the ratio of personnel supervised by the assistant secretaries and general counsels to the total personnel in the secretariats was too low. Therefore, the panel proposed that, except for the financial management function, more effective use could be made of the assistant secretaries who are not functionally designated.

The rationale for excluding the financial management function from this proposal, although vague, seems to be based on (1) the panel's belief that functional designation of the Assistant Secretary for Financial Management was by statute, not by internal organizational decision, and (2) its belief that, to remove duplicative assignments of function, the Office of the Comptroller of the Army/Air Force should be combined with the Office of the Assistant Secretary of the Army/Air Force for Financial Management. This combined office would be headed by an Assistant Secretary for Financial Management/Comptroller. At the time of the panel study, only the Assistant Secretaries for Manpower and Reserve Affairs were required by statute.

The proposal to eliminate formal functional assignments has not been implemented. Presently each military department has Assistant Secretaries for Research and Development, Manpower and Reserve Affairs, Installation and Logistics, and Financial Management. In addition, the Army has an Assistant Secretary for Civil Works.

Senior officials in OSD and the service secretariats said they failed to see the merits of the proposal, particularly in the current organizational structure. They claim that effective use of assistant service secretaries requires a clear delineation of the functional responsibilities of each. They believe the current arrangement works well, provides effective management, clarifies communications channels, and facilitates operating relationships among DOD components.

3. The Assistant Secretary (Financial Management) should become the Comptroller of the military department, military deputy, as in the current organization in the Department of the Navy.

The panel alleged that in all military departments substantial duplication existed between the secretariat and the military staffs. The report and a panel staff report indicate that the duplication referred to is the duplication of functional assignments and their related tasks/activities (referred to as "subjects" in the report).

To illustrate the duplication of functional assignments, the panel chose the Financial Management/Comptroller function to compare tasks/activities of the secretariats and military staffs. The panel chose this function because the Navy Department had consolidated its tasks/activities in one office, presenting the opportunity for contrast between departments. Acting under specific statutory provisions, which give the service secretaries the right to assign duties to subordinates, the Army and Air Force each have an Office of the Assistant Secretary (Financial Management), which reports to the Secretary/Under Secretary. They also have a comptroller in the military staff reporting to the Chief of Staff. The Navy has, however, combined the functions of Financial Management/Comptroller in the Office of Secretary of the Navy.

The comparison of tasks/activities addressed by Financial Managers/Comptrollers is shown in table 8. According to the panel report, this illustration demonstrates the feasibility of avoiding duplicative functional assignments by combining the Office of the Assistant Secretary (Financial Management) and the Office of the Comptroller of the military departments. It also demonstrates similar potential in the functional areas of the other Assistant Secretaries, where little consolidation has been accomplished.

The proposal's focusing on this particular function and office was opportune, since the Navy Financial Management/Comptroller organizational arrangement could serve as a model for the other departments to follow. It also increases the potential for further integration between the secretariats and military staffs, which is proposed in the next subrecommendation.

The Financial Management/Comptroller organizational structure of the three military departments is basically unchanged since the panel's study. That structure is shown in figure 10.

Table 8
Comparison of Tasks/Activities (Subjects)
Addressed by Financial Managers/Comptrollers

<u>SUBJECTS ASSIGNED IN INTRA-DOD DIRECTIVES</u>						
	<u>OSD</u> <u>ASD(C)</u> <u>a/</u>	<u>ARMY</u> <u>COMPT</u> <u>b/</u>	<u>NAVY</u> <u>COMPT &</u> <u>ASN(FM)</u> <u>c/</u>	<u>AIR FORCE</u> <u>COMPT</u> <u>ASAF(FM)</u> <u>d/</u>		
<u>PREScribed IN US CODE</u>						
Budgeting	x	x	x	x	x	x
Accounting	x	x	x	x	x	x
Progress and statistical reporting	x	x	x	x	x	x
Administrative organization structure	xe/	x	x	x	x	
Managerial procedures, relating to budgeting, accounting, progress and statistical reporting and internal auditing	x	x	x	x	x	
Internal audit	x		x	x		
<u>ADDITIONAL SUBJECTS PRESCRIBED IN MILITARY DEPARTMENT AND OSD DIRECTIVES</u>						
Prices for interservice sales	x					
Auditing		x	x	x	x	x
Finance, including Disbursement and collection of funds		x		x	x	x
Contract audit	x					
Reports control		x				
Cost analysis		x	x	x	x	
Fiscal	x	x		x		
Management systems and improvement	x	x			x	
Financing of contracts		x	x		x	x
Data automation (ADP)	svc		x	partial	x	x
Management information & control systems			x	x	x	x
Claims			x	x		
Reports of survey			x	x	x	
Contracts for management studies/ services			x			x
International balance of payments	x		x	x	x	
GAO criticism	x			x	x	x
Collecting debts from defense contractors (operational function)				x	x	
Command of specified field activities or a lower staff		x		x	x	x

a/ Department of Defense Directive 5118.3, January 1966.

b/ Army Regulation 10-5, July 1963, para 2-5 and 2-27.

c/ SECNAVINST 5430.7H, April 1968, para 5a, and Comptroller Orgn Manual 5450.1A (draft).

d/ Air Force Hq Pamphlet 20-1, October 1967, pp. 9, 77-94, and 308.

e/ Restricted to organizations involving programming, budgetary and fiscal matters.

Source: Blue Ribbon Defense Panel report.

FIGURE 10
COMPARISON OF FINANCIAL MANAGEMENT/COMPTROLLER ORGANIZATIONS

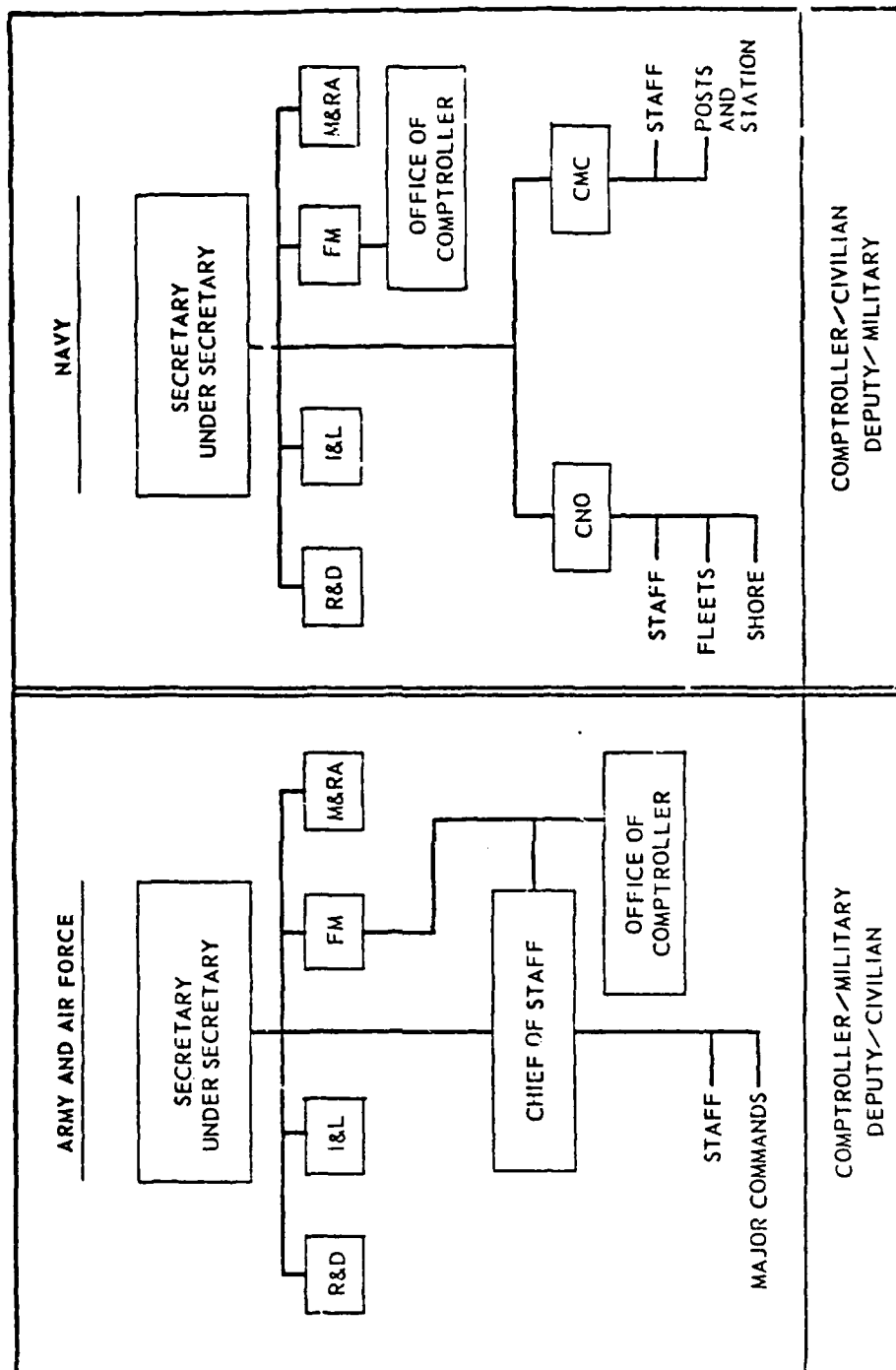


Figure 10 shows that the Army and Air Force have a solid line relationship running from the Assistant Secretary (Financial Management) to the Office of the Comptroller, which is under the Chief of Staff. In this regard, the Comptrollers of the Army and the Air Force are under the direction and supervision of, and are directly responsible to, the Assistant Secretary (Financial Management) of their respective services, with concurrent responsibility to their Chiefs of Staff. The law requires that if the Comptroller is military, the deputy shall be civilian, and vice versa. Thus, these two services have a military comptroller and a civilian deputy.

In the Department of the Navy, the Assistant Secretary for Financial Management is also the Comptroller. This difference is principally due to the fact that the Navy is a two-service organization, with a Chief of Naval Operations and a Commandant of the Marine Corps. It has never been considered appropriate to have the Navy's Comptroller at the Chief of Staff level, since the Navy must be objective in dealing with its two services. The Navy Department has a civilian comptroller and a military deputy.

At the time of our review, the approximate number of military and civilian personnel assigned to Financial Management/Comptroller functions in the military departments was as follows:

<u>Department</u>	<u>Assistant Secretary for Financial Management</u>	<u>Comptroller</u>	<u>Total</u>
Army	20	275	295
Navy	8	a/542	550
Air Force	16	366	382

a/Includes about 325 Navy Accounting and Finance Center, Washington, billets.

Organizational differences between the Navy and the Army and Air Force are not limited to the Comptroller function. For example, civilian personnel management is organizationally located in the military staffs in the Army and Air Force but is centralized in the secretariat in the Navy. The two-service nature of the Department of the Navy also largely accounts for this difference.

4. The secretariats and service military staffs should be integrated to the extent necessary to eliminate duplication.

As previously mentioned, the panel claimed and attempted to illustrate that duplication exists between the secretariat staffs and OSD and between the secretariat staffs and the military staffs. Since the panel report did not elaborate on the claimed duplication between the secretariats and OSD, our discussion is based on the alleged duplication between the secretariat staffs and the military staffs. The American College Dictionary defines "duplicate" as anything corresponding in all respects to something else.

The panel examined a number of DOD functional statements that define the tasks/activities of the various secretariats and the military staffs beneath them. It claimed that these functional statements contained apparent duplications of efforts.

The panel elaborated on a specific example of apparent duplication by highlighting the ambiguity on roles that exists between the secretariats and military staffs. The example was the Installation and Logistics (I&L) function in the Army. The panel alleged that the Assistant Secretary of the Army (I&L) conducts the same tasks/activities for the same organization (the Army) that the Deputy Chief of Staff for Logistics (DCSLOG) conducts at a lower echelon, the Army Staff. Under Chief of Staff direction, the office of the DCSLOG, in the area of logistics, "develops * * * broad, yet definitive, objectives * * * and broad policies for the guidance and/or the support of the Army and other designated forces." Despite this broad mandate, the Assistant Secretary of the Army (I&L) is responsible for specific functions which collectively embrace supervision of the business administration and civilian management aspects of the Army's mission.

Also, the Assistant Secretary of the Army (I&L), along with the other principal civilian assistants to the Secretary, helps guide military staff solutions during development or in review. He helps interpret the views and objectives of the Secretary of Defense and may provide preliminary general guidance concerning the response, plan, or recommendations required to insure that essential factors are considered by the Army Staff. The panel concluded that (1) the DCSLOG is charged with developing broad objectives and policies for the guidance of the entire Army and (2) the Assistant Secretary of the Army (I&L) works in the same area and has responsibilities for the same specific functions.

According to the panel, the Secretary of the Navy had precluded this type of duplication in the Comptroller area by having only one Comptroller office at the secretariat level.

To further support their proposal, the panel claimed that in functional areas other than those assigned the four assistant secretaries, functional consolidations had even taken place between the secretariats and the military staff which (according to the panel) demonstrated the feasibility of such management economies. For example, the public information function is largely consolidated in the secretariats in the Navy and Air Force and in the Army staff; also, the legislative liaison function is consolidated in all military department secretariats.

DOD views this proposal as a means to reduce headquarters manpower and believes that it has complied with the intent of the proposal. Although no concerted effort has been made to integrate the secretariat staffs and the military staffs, the Secretary of Defense has made a concerted effort to comply with the thrust of the proposal by reducing headquarters manpower throughout DOD. This effort is the DOD headquarters review, discussed in chapter 2.

5. The functions related to military operations and intelligence should be eliminated.

At the time of the panel study, each service military staff was organized to include an element for military operations and intelligence functions (these elements still pertain). The panel proposal to eliminate the two functions from military department headquarters is directly tied to other panel recommendations that were not implemented; namely, (1) consolidating the military operations and intelligence functions under a newly created Deputy Secretary of Defense for Operations and (2) aligning the secretariats and service military staffs under a new Deputy Secretary of Defense for Management of Resources, with no responsibilities for military operations or intelligence.

While the National Security Act constitutes the Secretary of Defense as the link in the chain of command of combatant forces between the President and the unified and specified commands, the only military staffs available for operations staff work are in the joint staff--reporting to JCS--and in the military departments. The Secretary of Defense has dealt with this situation by delegating responsibility to JCS to act as his staff for military operations. To perform this responsibility, OJCS has an Operations Directorate (J-3). In addition, each of the JCS has on his military staff an element assigned to military operations. These are the staff officers who support their chief of service in his role as a member of JCS.

Concerning the intelligence function, the Defense Intelligence Agency (DIA) was established in 1961 to attempt to solve the problems of disparate intelligence estimates and duplicative efforts by the military departments.

DIA was originally intended to:

- Provide for the assembly, integration, and validation of all Defense intelligence requirements; the policies and validation of all such requirements; the policies and procedures for collection; and the assignment of relative priorities to the requirements.
- Develop and produce all DOD's intelligence estimates and information and contributions to the national estimates for the United States Intelligence Board. The military departments were to retain the resources to collect and process intelligence information under DIA's supervision.

When DIA was established, the intelligence element within CJCS, the Directorate of Intelligence (J-2), was disestablished and its functions assigned to DIA. The established reporting line for DIA is through JCS to the Secretary of Defense.

Although DIA was established primarily to consolidate intelligence activities at the Washington level, each military department had a larger intelligence staff than it had before DIA was created. According to the panel, each departmental staff engaged in activities clearly assigned to DIA. The military departments claim that DIA does not have the capability to provide the intelligence they need. In this regard, the panel pointed out the paradox that DIA cannot develop a capability to perform its assigned functions, while the military departments, which provide a large portion of DIA personnel, maintain the required intelligence capability crucial to decisions on weapon systems research and development. According to the panel, DIA is charged with the responsibility but has not been organized to discharge it.

In testimony before a House Appropriations Subcommittee on the DOD appropriations for fiscal 1972, the Deputy Secretary of Defense proposed that the Congress authorize an additional Assistant Secretary for Intelligence. Congressional authorization was necessary because DOD already had the maximum number of Assistant Secretaries authorized by law. Justification was that intelligence activities, because of sensitivity and great importance, must be brought under high-level centralized management. DOD believed that defense intelligence activities require the full-time attention of a senior official within OSD.

In January 1972 the authorized position of Assistant Secretary (Intelligence) was established pursuant to the authority vested in the Secretary of Defense under the provisions of title 10 of the United States Code.

Concurrent with its request for additional Assistant Secretaries (one for telecommunications was also requested), DOD asked the Congress to authorize a second Deputy Secretary of Defense without specific areas of concentration and responsibility in legislation. The justification was to enhance civilian supervisory management. The request was granted in 1972, but it was not until December 1975 that the appointment of a second Deputy Secretary was announced. It was reported that the new Deputy Secretary would be largely concerned with intelligence activities.

6. Line-type functions, e.g., personnel operations, should be transferred to command organizations.

This proposal seems to be based on the panel's opinion that, to be consistent with good management practice, line-type activities should be assigned to commands divorced from direct supervision by the service headquarters' staffs. The panel pointed out that the services' military staffs had about 700 line-type activities containing about 173,000 people. These activities, at the time of the panel study, were called Class II Activities by the Army, Field Extensions by the Air Force, and Commands and Bureaus by the Navy (it was not clear whether the latter included the Marine Corps) and were distinguishable because they were commanded by a member of the staff of the chief of the service.

Since the panel report does not precisely define what constitutes a line-type function, we used functional definitions in DOD Management Headquarters Directive 5100.73. Accordingly, in developing this rationale, we concentrated on functions involving the provisions of specific products or technical/operating-type (line-type) services on a Department-wide basis (e.g., services performed by most centralized Accounting and Finance Centers and Military Personnel Centers).

Since the panel's report was issued, the number of line-type activities has apparently decreased by over 80 percent. Army Class II Activities and Air Force Field Extensions were disestablished, and the servicewide functions previously in these activities were organized as Field Operating Agencies (FOAs) in the Army and Separate Operating Agencies (SOAs) in the Air Force.

Most FOAs (84 of 96) are similar to the old Class II Activities in that they are directly supervised by a member of the Army Staff. One of these, the Army Military Personnel Center, was formed from the Army Staff's now-defunct Office of Personnel Operations. SOAs, on the other hand, are different from the Air Force Field Extensions in that they report directly to the Chief of Staff. There are currently 11 SOAs.

Similar changes have not occurred in the Navy, i.e., Commands and Bureaus commanded by a member of OPNAV still exist. They include the Bureau of Naval Personnel, Naval Intelligence Command, Naval Education and Training Command, and Naval Reserve Command. These activities have since been identified as management headquarters activities. According to a Navy directive, this means that these activities spend at least half their time performing a management headquarters function. Once an activity is designated as a management headquarters activity, all its personnel are considered as headquarters personnel, even though it might perform a line-type function.

Personnel operations

Army and Air Force personnel operations have been organized outside of their respective service military staffs and are not identified as management headquarters organizations. They are consolidated in FOAs in the Army and SOAs in the Air Force. These agencies, primarily responsible for executing policy, are line-type organizations that would be required even in the absence of the staff agency to which they report.

The Army Military Personnel Center is an FOA with responsibility for personnel operations. Army FOAs, of which there are 96 with total personnel of about 25,000, are not major Army commands or part of Army command. Of these agencies, 84 are directly supervised by specific elements of the Army Staff; the other 12 are under major Army commands. The Military Personnel Center, consisting of about 2,951 people and headquartered in the Washington, D.C., area, is under the Deputy Chief of Staff for Personnel.

Air Force military personnel operations are conducted by the Air Force Military Personnel Center. The Personnel Center, located in San Antonio, Texas, is 1 of 11 Air Force SOAs, all of which have major command status (i.e., SOA commanders report directly to the Chief of Staff). The 11 SOAs have about 31,000 people. The commander of the Air Force Personnel Center also serves as the Assistant Deputy Chief of Staff Personnel for Military Personnel.

Department of the Navy military personnel operations are conducted by Navy Personnel Programs Support Activity (NPPSA) in the Bureau of Naval Personnel (BUPERS) for the Navy, and by the newly created Marine Corps Personnel and Support Activity (MCPASA) for the Marine Corps. BUPERS is not an element of the Navy secretariat or OPNAV, but is a DOD management headquarters. The Chief of BUPERS is also the Deputy Chief of Naval Operations (DCNO) for Manpower, an OPNAV position. Although NPPSA is an element of BUPERS and BUPERS is a DOD management headquarters, personnel assigned to NPPSA are not counted toward Navy management headquarters strength. A similar organizational arrangement exists in the Marine Corps. MCPASA is an element of HQMC; however, the Marine Corps does not consider personnel assigned to this activity to be management headquarters personnel. (See p. 11 for discussion of MCPASA.)

Accounting and finance operations

Accounting and finance is also a function with line-type characteristics. Army, Marine Corps, and Air Force personnel who perform accounting and finance operational duties are assigned to nonmanagement headquarters organizations; however, the Navy splits these personnel between the secretariat (a management headquarters) and the Navy Finance Center (a non-management headquarters).

The Army Finance and Accounting Center, located in Indianapolis, Indiana, is the Army FOA charged with operational responsibilities regarding finance and accounting matters. The Army Staff agency to which the commander of this FOA reports is the Office of the Comptroller of the Army.

The Air Force counterpart to the Army activity in Indianapolis is the Air Force Accounting and Finance Center in Denver, Colorado. The commander of this Air Force SOA serves both as the commander of the Air Force Accounting and Finance Center and as the Director of Accounting and Finance, a directorate in the Office of the Comptroller of the Air Force, a major element of the Air Staff. The Directorate of Accounting and Finance operates from the Accounting and Finance Center in Denver but maintains an office in the Pentagon. The Directorate was previously located entirely in Washington, D.C., but in July 1968 most the Washington staff was moved to Denver. The Air Force Accounting and Finance Center in Denver has about 2,200 personnel, while the Army has 3,100.

Marine Corps accounting and finance operations are conducted at the Marine Corps Finance Center, Kansas City, Missouri. The Center, which is under the control of the Director of the Fiscal Division, HQMC, is a separate command, not a

management headquarters. As prescribed by the Secretary of the Navy, the Center is to administer, subordinate, and supervise the disbursement of funds in payment of all active duty, reserve, and retired Marine Corps members; to pay military allotments to dependents, banks, insurance companies, etc.; to make payment of public bills and civilian payrolls for areas specifically assigned; and to perform such other duties as may be directed by the Commandant.

Navy accounting and finance operations are under the commander, Navy Accounting and Finance Center, Washington. The Center is an element of a management headquarters, the Office of the Comptroller of the Navy.

The commander of the Center is also Assistant Comptroller of the Navy for Financial Management Systems. The Office of the Assistant Comptroller for Financial Management Systems performs staff-type functions, while the Navy Accounting and Finance Center is involved in operational or line-type activities. This combined organization consists of about 360 military and civilian personnel. These 360 people are, in effect, carried on two separate manning documents, one for the staff element (about 35 people) and one for the operational element (about 325 people). Functions relating to the staff element include formulating and directing policies, systems, standards, and procedures for the design and development of financial systems. Under his operational role, the commander of the Center commands a financial network of 21 field activities, with about 500 military and 3,300 civilian personnel. The largest activity is the Navy Finance Center, Cleveland. Its operational functions include administering the centralized Navy allotment system and the Naval Reserve and Retired Pay systems and examining the specialized accounting, disbursing, and reporting functions involved in all aspects of Navy pay. These functions require almost 1,500 employees (1,475 civilian and 25 military).

7. The remaining elements should be reduced by at least 30 percent.

The rationale for this proposal is unclear. It may be related to the parenthetical suggestion in the recommendation that the secretariats and service staffs combined should total no more than 2,000 people for each department, according to an unnamed study. We could not locate or even identify such a study. Two panel members we spoke to also disclaimed its existence. Additionally, since the proposed 30-percent reduction is premised on the implementation of the other proposals in this recommendation and they have generally not been implemented, the proposal cannot be evaluated in isolation.

Nevertheless, shown below are the reported staff reductions in the combined secretariats and service military staff for each department from the issuance of the report to the end of fiscal year 1975.

<u>Department</u>	<u>FY 1970 actual strength</u>	<u>FY 1975 actual strength</u>	<u>Percent change</u>
Army	8,815	5,399	39
Navy (note a)	6,268	4,394	30
Air Force	5,243	4,709	10

a/Includes (OPNAV) and (HQMC).

Conclusions

We believe that the proposed placement of the service secretaries under a Deputy Secretary of Defense for the Management of Resources would result in a downgrading of the service secretaries and the military chiefs of staff through the removal of their direct access to both the Secretary of Defense and the President. Loss of functional responsibility would also downgrade the service secretaries' roles as managers of their departments' resources. Side effects of this change would include ineffective management and diffused communications channels and, more significantly, centralization of management of key functional areas in OSD under the Assistant Secretaries of Defense.

This proposed change in the name of decentralization of the responsibilities of the Secretary of Defense appears to achieve the opposite--increased centralization of management in OSD.

The proposal to reorganize the Army and Air Force Financial Management and Comptroller arrangement to mirror the Navy's organization has no clear advantage. In the Navy, the Assistant Secretary for Financial Management is also the Comptroller because the Department of the Navy is a two-service organization; the departments of the Army and Air Force, however, are one-service organizations. The method used by the panel to demonstrate duplication of effort (i.e., comparing subjects addressed by Financial Management/Comptrollers) was not all inclusive. For example, the Army Comptroller and the Assistant Secretary of the Army (Financial Management) are both involved in accounting matters, but their efforts do not correspond in all respects. We found that although functional assignments were similar, the task/activities of these offices were not duplicative. Further, in terms of strength, there does not seem to be any real advantage in having a single Assistant Secretary for Financial Management/

Comptroller office. Actually, the combined Navy organization presently has about 250 more personnel than the two Army organizations and about 160 more than the two Air Force organizations.

The proposal that the secretariats and service military staffs be integrated to the extent necessary to eliminate duplication is sound, although the panel did not demonstrate that actual duplication existed.

The proposal to remove functions related to military operations and intelligence from the service military staffs is tied to other recommendation that were not implemented. This is not to say, however, that it could not or should not be at least partly implemented.

Concerning the transfer of line-type functions to command organizations, we were unable to ascertain why it was inconsistent with good management practice for line-type activities to be commanded by a member of the staff of the chief of the service. Assuming, however, that such is the case, the proposal falls short of remedying the problem. It simply states that line-type functions should be transferred to command organizations. It does not define command organizations, nor does it point out that command organizations should be divorced from direct supervision by the service headquarters staff.

CHAPTER 5

BUDGET FORMULATION MANPOWER REQUIREMENTS

The budget process is the final phase in PPBS. The annual budget expresses the financial requirements necessary to support the approved forces and programs set forth under the first program year of the Five-Year Defense Program (FYDP). Although derived from FYDP, budgets are expressed in greater refinement and detail and in additional structure (i.e., appropriations) and format than FYDP programs. The approved programs are those which evolve from incorporating all decision documents received by a predetermined date announced by the annual program/budget review schedule memorandum. Through the budget, planning and programing are translated into annual funding requirements. Each year's budget estimate, therefore, sets forth precisely what the Department of Defense expects to accomplish with the resources requested for that year.

The budget process is divided into three phases:

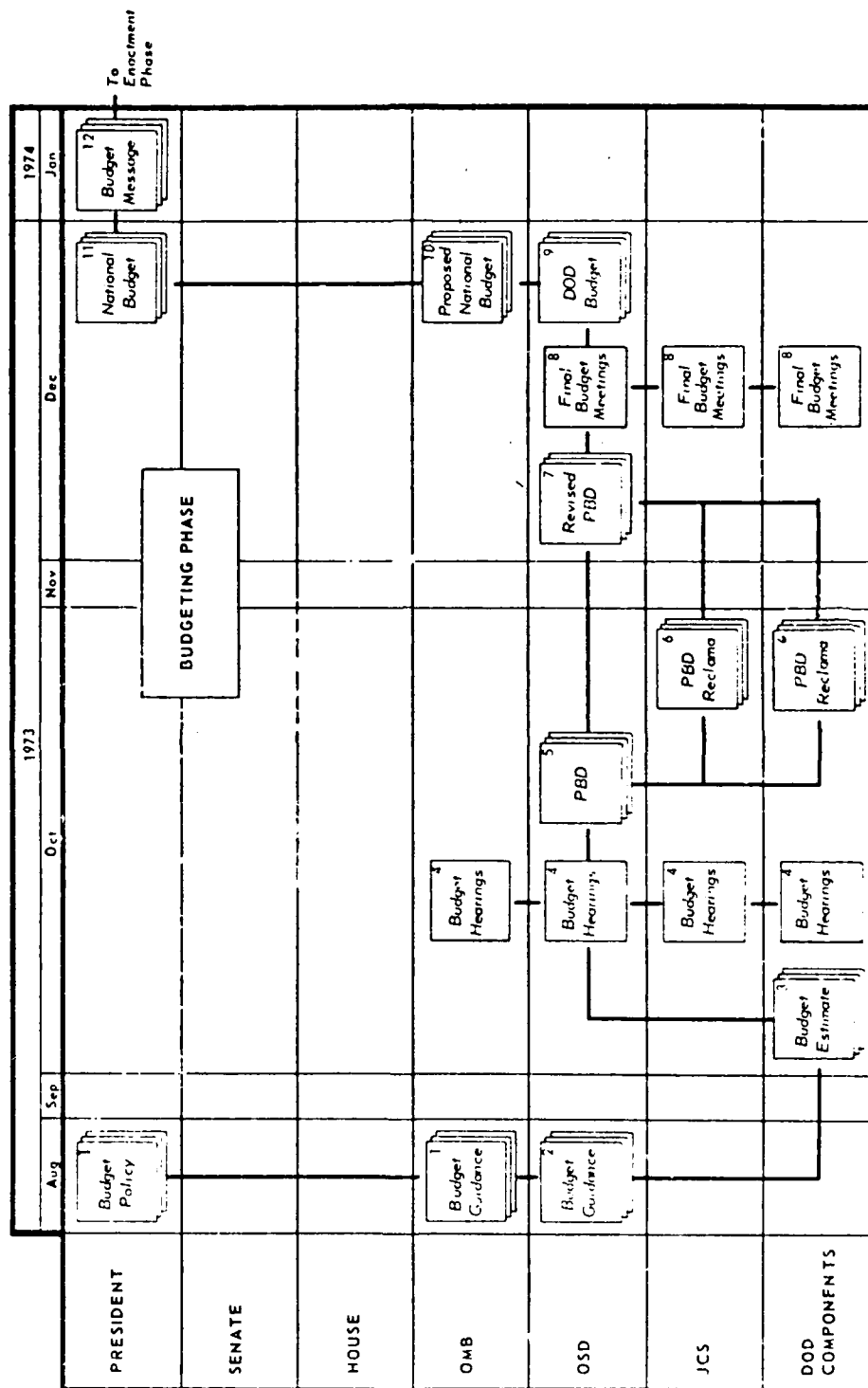
1. Formulation--planning and developing the budget for the fiscal year. The formulation phase begins with a call to the Defense components for budget estimates. This call is based on guidance from the Assistant Secretary of Defense (Comptroller). This phase continues with review, modification, and amendment and concludes with final approval by the Secretary of Defense, the Office of Management and Budget (OMB), and the President.
2. Justification--presenting and justifying to OSD, OMB, and the Congress (in turn) the budget for the fiscal year which begins on the next October.
3. Execution--obligating and expending congressionally appropriated funds for the current and prior fiscal years.

Budgets are formulated, justified, and executed on the basis of appropriations. Appropriations are subdivided into budget activities, subheads, programs, projects, etc. The format and structure of the various appropriations are controlled by the Congress and represent the manner in which the Congress desires the agencies and departments to express requirements for funds.

Following are the specific steps of the 6-month (August-January) budget formulation phase. (See fig. 11.)

1. Based on budget policies established by the President, OMB provides budget guidance to the Secretary of Defense.
2. The Secretary, in turn, provides budget guidance to the DOD components in August of each year.
3. The components have until the end of September to submit their proposed budgets to the Secretary.
4. After this submittal and an analysis by OSD, a series of budget hearings are attended by OSD, OMB, and DOD component heads to address issues and problem areas.
5. Based on the proposed budgets and the budget hearing, in late October the Secretary issues a series of Program Budget Decisions (PBDs). PBDs are used to announce all budget decisions incident to the annual review of the proposed budget.
6. Between October and December, the DOD components and JCS have an opportunity to appeal the PBDs.
7. The Secretary then issues, as necessary, revised PBDs.
8. Any major budget issues remaining unresolved are discussed in joint meetings between the Secretary, JCS, and DOD component heads.
9. The Secretary makes his final decisions and submits the proposed DOD budget to OMB.
10. OMB combines the DOD budget with all other Federal budgets and presents them to the President.
11. The President reviews and approves the budget.
12. The President formally submits the national budget to the Congress in January, accompanied by his annual Budget Message.

FIGURE 11
FISCAL CYCLE/FY 1975



Approximately 12 percent of OSD, the service secretariats, and the service military staffs are directly related to budget activities. Of this total (about 2,000 staff-years), virtually none are involved solely in the 6-month budget formulation. (See app. V, pp. 138 to 143 Significant Staff Activities, and p. 178 Involvement in the budget process, for further discussion.) Other activities include involvement in (1) the preceding 6-month programing portion of PPBS, (2) the justification phase of the budget process, which incidentally overlaps programing activities, and (3) the execution phase of the budget process, which overlaps PPBS.

Conclusion

We were unable to find a significant proportion of jobs in DOD top management headquarters principally related solely to budget preparation and review. Therefore, we did not pursue the matter further.

CHAPTER 6

MORE DATA DOES NOT MEAN BETTER MANAGEMENT

INTRODUCTION

This chapter responds to the questions of whether the Office of the Secretary of Defense is making practical and reasonable requests for information from the military departments and whether these requests generate additional but unnecessary staff requirements.

We reviewed the policies, procedures, and practices relative to managing and controlling requests for information by OSD and the military departments. We reviewed records, reports, regulations, and other data and held discussions with officials, whose comments are included where applicable.

Our objective was to establish and determine the existence of those conditions by reviewing data, reports, and program information requirements. We also considered other sources of requests for information or directed tasks and activities that generate significant additional workload and/or staff requirements which are counterproductive to reducing headquarters staffs. Our review encompassed recurring and one-time OSD reports, congressional and White House requests for information, and public requests for information as authorized by legislative programs.

STRONGER CONTROL NEEDED OVER DEFENSE INFORMATION REQUIREMENTS

In each headquarters element we reviewed we found a need to improve its practices and reexamine the organizational level for managing and controlling requests for information. The cost to produce this information is conservatively estimated as \$850 million annually. A few large OSD requests, not properly licensed and coordinated according to provisions of DOD Directive 5000.19 (Policies for the Management and Control of DOD Information Requirements) caused significant amounts of unnecessary work.

The organizational level and staffing of the offices in OSD and the military departments responsible for controlling information requirements appear inadequate. Heads of several control offices said their effectiveness as managers was lessened by their lack of adequate authority and staff.

To increase the efficient use of resources, each DOD component has been required to reduce requirements for data, information, and reporting. The program to accomplish this

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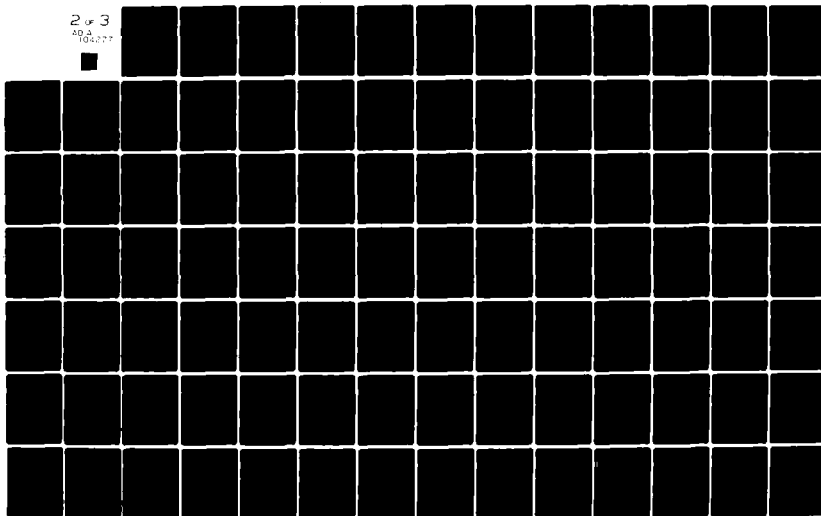
GENERAL ACCOUNTING OFFICE WASHINGTON DC FEDERAL PERS--ETC F/G 5/1
SUGGESTED IMPROVEMENTS IN STAFFING AND ORGANIZATION OF TOP MANA--ETC(U)
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has shown significant results; however, net savings are much less than reported because new reporting requirements are not considered in computing the savings.

Also, large numbers of staff are specifically assigned to provide information requested from the Congress and the White House and to administer new programs, such as those required by the Freedom of Information Act.

Policies and responsibilities

Policies for managing and controlling information requirements are contained in DOD Directive 5000.19, which has been implemented by the military departments. The policies are designed to insure optimum effectiveness and economy in the flow of information within, from, and to DOD, and to prevent generating unauthorized and duplicated information requirements. Coordination is required in OSD and the military departments for each information request to insure that the following principles are followed.

- Consider the cost of obtaining the information in relation to its use and the penalties and risks associated with not having the information.
- Determine whether available information can satisfy the requirement.
- Assure that the information is essential, requested in summary form, and reexamined periodically for validity and relevance.
- Assure that requests for information are approved and licensed at the organizational level where initiated.

The policies do not apply to intelligence reports, routine operational information, audit reports, plan evaluations, public information releases, investigative surveys, and certain classified information.

Primary responsibility for controlling information requirements within DOD is assigned to the Assistant Secretary of Defense (Comptroller). His office develops policies to govern management and control of DOD information requirements. Requests for information originating in OSD must be approved and licensed by his office.

The secretaries of the military departments and directors of the defense agencies are responsible for approving information requirements originating in their organizations. Information control offices are established in each of the military

component and agency headquarters to serve as the principal points of contact for information matters and to provide for efficient and effective management and control of information requirements. In addition, information focal points are established within functional areas to assist the information management control offices.

Information control offices established

Listed below are the information control offices established by OSD and the military departments, their organizational levels, and the numbers of professional and technical staff.

<u>Department</u>	<u>Information control offices</u>	<u>Number of professional and technical staff</u>
OSD	Information Control Division Assistant Secretary (Comptroller)	<u>a</u> /5
Army	Management Information Control Branch Director of the Army Staff	<u>b</u> /4
Navy	Reports Management Branch Assistant Vice Chief of Naval Operations/Director of Naval Administration	2
Marine Corps	Forms/Reports Management Section Information Systems Support and Management Division	1
Air Force	Information Requirements Management Branch Comptroller of the Air Force	<u>c</u> /5

a/Total staff; however, only 2.5 personnel were directly in support of internal and interagency reporting.

b/Previously in the Office of the Comptroller with a staff of 12.

c/Previously in the Directorate of Data Automation, Office of the Comptroller, with a staff of 7 for this function.

Volume of reports and efforts
to reduce their number

As required by the Secretary of Defense's Management by Objective program, OSD, the military departments, and other offices have set goals for reducing the volume of reporting requirements. Although these goals have generally been met, we believe the results are unrealistic because consideration is given only to the number of reporting requirements eliminated from the July 1, 1973, inventory. Additionally, only recurring reports are listed in the inventory. Several one-time reports reissued for several consecutive years are not included in the inventory. One such report is the Military Manpower Training Report. (See p. 82.) OSD has published this report for fiscal years 1974, 1975, and 1976 and plans publication for fiscal year 1977. OSD estimated the cost for all the military departments to provide data in the required format to be \$37,000. However, an official of the Office of Naval Education and Training estimated the annual cost for the Navy alone at \$143,000, since more effort is required than estimated by OSD. The other military departments agreed extensive efforts were necessary.

The military departments reported the latest DOD inventory of recurring information requirements on July 1, 1973. The inventory included 9,984 reports costing an estimated \$350 million annually to produce, as shown below.

<u>Departments</u>	<u>Number of recurring reports 7/1/73</u>	<u>Annual cost</u> (millions)
Air Force	4,811	\$ 74
Navy	2,274	90
Army	536	116
OSD	382	51
Other DOD components	<u>1,980</u>	<u>19</u>
	<u>9,983</u>	<u>\$350</u>

These reports include those required by various offices of the military departments and OSD and such external agencies as the Civil Service Commission. Many are required by public laws.

DOD components also reported producing an additional undetermined number of interagency reports costing an estimated \$500 million annually, resulting in a total annual cost of at least \$850 million to produce reports.

On July 19, 1973, the Deputy Secretary of Defense initiated a program to reduce and control paperwork and reporting and information requirements. To obtain top-level attention for this program, on August 15, 1974, he established the Management by Objective program to reduce requirements for reports, forms, and directive issuances for fiscal year 1975. The Management by Objective program initiated by the President on April 18, 1973, requires all department and agency heads to set goals and achieve results for all activities under their direction. As of June 30, 1975, 3,323 reporting requirements costing \$48.2 million to produce were reported as being eliminated from the July 1, 1973, inventory of reports.

The types of reductions reported by OSD include (1) a minimum cost avoidance of \$167,000 achieved by greatly modifying a survey required by the Environmental Protection Agency and (2) potential savings from a possible reduction of data requirements for the management information system proposed by the Civil Service Commission.

Although reductions are commendable, the achievements are less than reported since new information requirements are not considered in computing the reduction. For example, over the 24 months ending June 1975 OSD claimed a reduction of 72 reports. However, during the same time frame, 94 new reports were issued resulting in a net gain of 22 reports.

Potential sources for reducing information requirements

We found several instances in which certain aspects of information requests were impractical and unreasonable. They provide redundant but inconsistent data and required extensive amounts of additional work to produce. Two examples may be seen in portions of military manpower training information and enlisted bonus management data requirements.

Military manpower training information

Over the past 3 years, education and training information requirements for OSD have more than quadrupled. Much of this data is prepared in conjunction with three reports provided to the Congress--Budget Justification, Defense Manpower Requirements Report, and Military Manpower Training Report. These reports have become progressively more

detailed. They display data which, due to the different criteria used in each report, appear to be compatible but are not. Differences are as follows:

- Budget Justification: In the budget, training is treated by each military department on a "producer" basis and estimates include resources needed to conduct all programmed training--for students from all services, civilian agencies, and foreign nations. This includes training for full-time personnel, as well as those on temporary additional duty. The budget data is structured by program elements which are generally mission oriented.
- Defense Manpower Requirements Report (DMRR): This annual report is prepared by the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) from information provided by the military departments. DMRR is required by chapter 4, section 138(c)(3), of title 10 of the United States Code. In DMRR, the defense planning and programming categories, which are used to describe the uses of manpower, parallel the program element structure of the budget justification. Training is included in some categories but only full-time training. Furthermore, some categories labeled "training" contain resources devoted to other purposes.
- Military Manpower Training Report (MMTR): This annual training report, required by Public Law 92-436, is also prepared by the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) from information provided by the military departments. In MMTR the emphasis is on the service and the data it is required to develop to justify the average military training student load authorization. It is divided into five categories--recruit, specialized, officer acquisition, flight, and professional development education--which do not match the program element structure.

All three reports discuss some aspects of training but use similar terms to mean different things. "Recruit training" in the budget justification is not the same as "recruit training" in MMTR. "Individual training support" in DMRR is quite different from "individual training support" in MMTR. Officer candidate school is budgeted in "specialized training" but is carried in "officer acquisition" in MMTR. The aviation program is budgeted in "flight training" in the budget and split between "specialized skill" and "flight training" in MMTR. Cryptography training is a separate program element in the budget, but in MMTR it is included in specialized skills.

Because of these and other inconsistencies, comparing data among the reports is difficult and confusing.

OSD is aware of the data problems in congressional submissions and is working to correct them by reconciling the program element structure and the MMTR training categories. Although full standardization in all areas may not be possible, OSD should make every reasonable effort to accomplish this goal in as short a time as possible.

Specific problems encountered by the military departments are listed below.

Army

- Each OSD training category in MMTR differs from the program elements in the President's budget.
- Manpower and cost data in MMTR is distributed to a level not used in the budget and requires distribution to new training categories not in the current financial structure.
- Student load formulas used for MMTR and the budget are inconsistent. The MMTR formula is not practical to implement since it requires detailed information not available at the programming stage of the PPBS cycle. Additionally, the student load formula is not supported by the present information-gathering system.
- "Supernumerary load" in MMTR is an arbitrarily contrived and meaningless number, developed by OSD, that inadequately explains the differences in load between MMTR and the budget.
- Double bookkeeping is required.
- The MMTR format requires information more detailed than the present system is geared to provide.
- The requirement for extensive detailed data for MMTR is difficult to provide with any degree of accuracy in the time allowed.
- Additional staffing at all command levels will be required to develop the revised MMTR data that will be required as budget training data is updated during successive cycles of PPBS.

An example of student training load differences for specialized training in the Army, as shown in the budget and MMTR, is shown below.

	Average student load fiscal year 1976
President's budget	34,700
MMTR	59,603

One reason for the difference is that 16,528 personnel were programed to receive advanced individual training. These personnel are included in the specialized skill training category in MMTR and in the recruit training category in the budget.

Navy

- The fiscal year 1976 numerical data required for OSD was more than five times that required in fiscal year 1974.
- The verbal data required in fiscal year 1976 was nearly three times that required in fiscal year 1974.
- The overall input requirement was four times greater in fiscal year 1976 than in fiscal year 1974.
- The President's budget, DMRR, and MMTR use similar terms to mean different things. For example, recruit training in the budget is not the same as it is in MMTR and individual training in DMRR is quite different from that in MMTR. (For example, recruit training in the Navy budget provides for general orientation, as well as basic technical and military training, for personnel entering active duty. In contrast, recruit training in MMTR includes only basic introductory and indoctrination training given to all enlisted personnel upon their initial entry into military service.)
- The 8,000 requests for information concerning training in the first 5 months of calendar year 1975 required increasing the staff resources to respond to uncoordinated data requests from individual OSD offices.
- The budget, DMRR, and MMTR contain much of the same information. Variations in aggregation, however, are not only time consuming to the producer but also confusing to the user.

Air Force

--Detailed information requested for MMTR was not readily available; therefore, a timely accurate response was difficult.

--Since the information submitted for MMTR was based on estimates and arbitrary allocations, reconciling such data with the President's budget and defending it before the Congress would be difficult.

Bonus management data requirements

The Assistant Secretary of Defense (Manpower and Reserve Affairs) implemented a new bonus management data system that required 22 formats of data starting with the fiscal year 1976 budget cycle. Thirteen contained data not previously requested of the military departments. The request for data was not processed as required by the DOD directive, and formal coordination with the military departments was not sought. The request was made on July 23, 1974, and the military departments were to make their initial submissions by October 1, 1974. The volume of data required went beyond the services' ability to respond within the time allotted.

Public Law 93-277, known as the Armed Forces Enlisted Personnel Bonus Revision Act of 1974 and enacted on May 10, 1974, provides that reenlistment bonuses shall be administered under regulations prescribed by the Secretary of Defense for the Armed Forces under his jurisdiction. In testimony before the Congress justifying the need for the Bonus Revision Act, the Assistant Secretary of Defense (Manpower and Reserve Affairs) stressed that bonuses would be used only as a last resort in cases of chronic, persistent, and critical skill shortages. Therefore, additional information was considered necessary concerning inventories, requirements, and costs for individual skills. Data formats were developed as the primary instruments for approving and monitoring the military departments' bonus requests.

Although the volume of data requested was large, OSD considered it the minimum necessary to properly manage the bonus system. In addition, the data obtained would facilitate the budget review process and help justify bonus programs to the administration and the Congress. The DOD instruction for administering enlisted personnel bonus and proficiency pay programs under the Bonus Revision Act of 1974 was not issued until June 3, 1975.

The staffs of the military departments responsible for providing the required data were reportedly working 16 hours a day to comply with the reporting requirements. For example, the Navy estimated using 3,000 hours overtime and 3,200 hours regular time, \$175,000 worth of contractor support, and an undetermined amount of computer time. Even so, the Army, Navy, and Marine Corps were unable to fully comply with the data requirements and submitted incomplete report formats over a month late, on about November 11, 1974. OSD, therefore, had to compress its evaluation time to meet budget cycle commitments.

The Air Force submission totaled approximately 400 pages of tables and 475 pages of backup data. In response to complaints from all the military departments regarding the amount of data requested, an OSD official said about 70 percent proved to be unnecessary. OSD subsequently modified the requirement to eliminate unnecessary demands on the services, and only 25 percent of the original requirement for data still remains.

The military departments' criticism of the OSD request for data included the following comments.

Composite views

- OSD was too involved in micromanagement of service bonus programs.
- Contracts had already been awarded to develop programs for bonus management data previously requested by OSD.
- Data formats did not provide criteria for determining how data would be analyzed or what portions would be used for deriving a need for bonuses.
- Forecasting bonus requirements beyond 2 years is impractical because of the guesswork involved.
- The need for OSD to have so much data to manage the bonus program was generally questioned. The Air Force provided data for about 250 enlisted specialties, of which only 91 offered bonuses. Only about 25 of the 1,100 Navy enlisted classification skills were managed as career fields. Thus, much of the data required did not exist and was inappropriate to the decision process. The Marine Corps suggested that OSD try to reduce the amount of paperwork associated with bonus management reporting. The Army believed that such detailed data was not necessary at the OSD level.

Army

- All data could be made available over a 12-month period only with a significant increase in workload.
- The management system required to provide necessary data would be much more sophisticated than previously. This would cause such great problems that, despite an all-out effort, the submission date could not be met and all the proposed requirements could not be provided.
- Some data was not readily available and considerable reprogramming would be required.
- Computer modeling was used to meet many data requirements. The problems encountered in developing and refining the models resulted in reverting to a "by hand" analysis of data.

Navy

- Significant data retrieval problems delayed the submission.

Marine Corps

- Some information required was not available, or not available in the format desired.
- Retrieving and processing data was difficult.

Air Force

- Massive effort required to provide the required data.

GAO responsibilities for assistance in developing and monitoring congressional information requirements

The Legislative Reorganization Act of 1970 as amended by the Congressional Budget Act of 1974 requires the Comptroller General to

- conduct a continuing program to identify and specify congressional needs for fiscal, budgetary and program-related information;
- assist congressional committees in developing their information needs;

--monitor the various recurring reporting requirements of the Congress and its committees in order to identify needed changes and unnecessary or duplicative reporting; and

--develop, establish and maintain an up-to-date inventory and directory of sources and information systems containing fiscal, budgetary and program-related information.

The Secretary of Defense, as a start in reducing unnecessary or duplicative reporting, has cooperated with GAO in complying with these requirements.

Conclusions

The policies established to manage information requirements appear adequate but are not always adhered to by OSD. There is no direct evidence that the offices of the Assistant Secretaries of Defense have tried to control or coordinate data requests or meaningfully reduce their number. Efforts to reduce and control requirements have been mostly ineffective. Increased awareness of the necessity of promulgating policy and procedures through the formally established system is needed. We believe the OSD Information Control Office should have authority commensurate with its responsibilities to insure that policies are followed. The present placement of the Information Control Division within the Office of the Assistant Secretary of Defense (Comptroller) is ineffective. The division cannot prevent the various Assistant Secretaries of Defense from circumventing the formal information control system and establishing such reporting requirements as they, or deputies and directors acting in their names, consider necessary.

Efforts should be continued to achieve the goals of the Management by Objective program to reduce the volume of reports and other data from an established inventory base. A program dedicated to minimizing the production of new reports is sorely needed.

Although military manpower training information contained in DMRR, MMTR, and the President's budget fulfill the requirements of public law for training information, the data (1) contains inconsistencies that cause confusion and misinterpretation and (2) appears to require more detailed information than was originally intended. Apparently, the bonus management data was requested to increase the effectiveness of the LOD bonus management programs. However, we believe the efforts to manage these programs more effectively have involved OSD in too much emphasis on the form and process of

bonus management of the military departments rather than to the substance of bonus policy.

Since DOD does not have control over requests for information from congressional sources, we believe that the GAO directory of sources and information systems should make the Congress aware of the information being reported by DOD. GAO's work with the committees should improve congressional committee information resources, enhance information awareness.

WORKLOAD AND STAFFING DEMANDS WHICH ARE COUNTERPRODUCTIVE TO STAFF REDUCTIONS

To assist GAO in fully comprehending the need for the numbers of personnel in the service headquarters staffs, we attempted to identify demands over which the services have little control but which contribute significantly to their workload. (The origin of internal and external workload for top management headquarters is discussed in app. V--Generation of workload, p. 169.) We observed a wide variety of such demands imposed upon the military departments by higher authority. Each of these generate additional staff requirements that hinder the reduction of headquarters staffs. Following are examples of some demands that we were able to quantify to some extent.

Legislative affairs activities

The Congress has developed both a formal and an informal method of acquiring information about DOD. (The congressional liaison activity is a centralized function in OSD and the secretariats but is evident throughout the top management headquarters, see app. V--Significant Staff Activities, pp. 138 to 143.) The formal method involves calling upon DOD officials to testify before congressional committees or subcommittees or to submit written information to the Congress. The informal method of inquiry is through letters or telephone calls from Congressmen or their staffs to various DOD officials.

The legislative affairs workload has greatly increased in recent years, as illustrated in the following table based on the last pre-Vietnam year of 1974.

Table 9

Appearance of DOD Witnesses before Congress
for Selected Calendar Years

	<u>1964</u>	<u>1968</u>	<u>1972</u>	<u>1974</u>	<u>Increase, 1964-74</u>	
					<u>Number</u>	<u>Percent</u>
Sessions	260	330	370	402	142	55
Total witnesses	630	683	360	370	240	38
Hours of actual testimony	650	3,660	2,376	2,582	1,932	297
Man-hours before the Congress	1,575	7,627	5,522	7,746	6,171	392
Approximate length of hearings in millions of words (note a)	4	5	11	16	12	300

a/The hearings include only the Senate and House Armed Services and Appropriations Committees hearings on DOD Procurement and R.D.T.&E. (Research, Development, Test, and Evaluation) bill.

As indicated, in calendar year 1974, the Congress summoned 870 DOD witnesses to appear at 402 sessions before 38 different committees. These sessions involved over 7,500 man-hours on Capitol Hill for the principal witnesses. The number of words contained in the Senate and House Armed Services and Appropriations Committees hearings amount to 12 million, or the equivalent of 200 full-length books.

In addition to the time they spent actually testifying, DOD witnesses were also asked to provide numerous inserts for the record or to answer supplemental questions in written form. The number of supplemental questions submitted to the Secretary of Defense, for example, has increased dramatically. (The service secretaries, chiefs of staff, and others receive similar requests.) This increase is shown in table 10.

Table 10

Distribution of Supplemental Questions Submitted
to the Secretary of Defense by the Congress
During Budget Hearings January to March
on Fiscal Year 1975 and 1976 Budgets

<u>Category</u>	<u>1975</u>		<u>1976</u>		<u>Increase</u>	
	<u>Number</u>	<u>Per-</u> <u>cent</u>	<u>Number</u>	<u>Per-</u> <u>cent</u>	<u>Number</u>	<u>Per-</u> <u>cent</u>
International environment	99	34	328	44	229	231
Strategic forces	60	20	96	13	36	60
General purpose forces	50	17	100	13	50	100
Manpower	41	14	70	9	29	71
Management	33	11	100	13	67	203
Security assistance	<u>10</u>	<u>3</u>	<u>51</u>	<u>7</u>	<u>41</u>	410
Total (note a)	<u>293</u>	<u>100</u>	<u>745</u>	<u>100</u>	<u>452</u>	154

a/May not add due to rounding.

In addition to the information provided in supplemental questions, detailed backup data in support of the budget is forwarded to the Congress. The pages of budget backup data were counted by the Office of the Deputy Assistant Secretary of Defense (Program/Budget) at our request. Significant increases had occurred from fiscal year 1970 to fiscal year 1976 in the number of pages in the congressional budget justification books. Over 12,500 pages of backup data were submitted for the fiscal year 1976 budget in support of the 5 budget areas. The largest increases occurred in the areas of procurement (500 percent) and research, development, test, and evaluation (169 percent). Below are the results of the OSD count.

<u>Budget area</u>	<u>Pages in congressional justification books</u>		<u>Percent change</u>
	<u>FY 1970</u>	<u>FY 1976</u>	
Procurement	383	2,303	501
Research, development, test, and evaluation	1,787	4,910	169
Operation and maintenance	692	1,111	61
Military personnel	484	889	84
Military construction	<u>3,843</u>	<u>3,414</u>	<u>a/-11</u>
Total	<u>7,189</u>	<u>12,527</u>	74

a/Military construction decreased from 1970 to 1976.

DOD responded to over 1 million separate written or telephonic inquiries last year, an increase of 50 percent in the past decade.

Requests for information from the Congress for calendar year 1975 that we were able to identify at the headquarters we reviewed are estimated at 439,200.

<u>Organization</u>	<u>Estimated annual requests</u>
Air Force	156,200
Navy	115,300
Army	123,300
OSD	<u>44,400</u>
	<u>439,200</u>

Congressional requests for information are largely the responsibility of the Office of the Assistant Secretary of Defense (Legislative Affairs). However, both the Senate and House Appropriations Committees have specified that the DOD Comptroller organization will be the contact point with the committees. The military departments have established similar legislative affairs offices. Legislative affairs costs reported by DOD, for each year since the DOD appropriations act has limited the amount of funds that could be used for such activities, are listed in table 11.

Table 11

Legislative Affairs Costs, Department of Defense (note a)

<u>FY</u>	<u>Public law</u> <u>limitation</u>	<u>Legislative</u> <u>liaison</u> <u>subject to</u> <u>limitation</u>	<u>Other</u> <u>legis-</u> <u>lative</u> <u>affairs</u>	<u>Adminis-</u> <u>tration</u>	<u>Total</u>
(millions)					
1960	\$2.65	-	-	-	-
1961	.95	\$0.81	\$0.81	\$0.92	\$2.5
1962	.95	.86	.69	1.2	2.9
1963	.95	.73	1.1	1.3	3.1
1964	.95	.82	1.1	1.3	3.2
1965	.95	N/A	N/A	N/A	N/A
1966	.95	.85	1.3	1.4	3.5
1967	.95	.93	1.4	1.4	3.7
1968	.95	.94	1.4	1.4	3.8
1969	.95	.94	1.5	1.5	4.0
1970	1.15	1.1	1.7	1.8	4.6
1971	1.15	1.1	1.7	2.0	4.8
1972	1.15	1.1	1.7	2.0	4.9
1973	1.15	1.1	1.9	2.2	5.3
1974	1.30	1.2	1.9	2.7	5.8
1975					
(note b)	1.32	1.3	2.2	2.8	6.3

a/Includes only expenditures for personnel in legislative liaison offices. Not included are costs for an undetermined number of personnel in field organizations that provided information to headquarters offices.

b/Estimated.

DOD staffing for congressional activities in fiscal year 1975 amounted to 294 personnel costing over \$6 million. A limitation in the use of funds for congressional liaison activities was first included in the DOD Appropriation Act for fiscal year 1959. The limitation has varied from year to year and for fiscal year 1975 amounted to \$1,320,000. The estimated fiscal year 1975 cost for congressional liaison was reported as \$1,300,290 for 60 personnel. By themselves, these people could not handle 1 percent of the inquiries, let alone the preparation and followup work that results from testimony before the Congress. Thus, numerous other people throughout headquarters with nonlegislative responsibilities devote much of their time responding to congressional requests. This is evident from comparing, over the past 15 years in the table above, the growth of legislative affairs costs in the areas

subject to funding limitations. These costs have increased 60 percent over the same time period. Growth in legislative affairs activities not subject to limitations has increased 139 percent, about three times as much. The question arises of whether current funding levels are adequate and whether the accounting for headquarters staff personnel required to respond to congressional requests is accurate.

Table 12 quantifies the congressional workload in the Washington area for only eight major categories for fiscal year 1975. (The figures are incomplete and only roughly depict trends.)

Table 12
Staff-Hours Spent on DOD Legislative Activities,
Fiscal Year 1975

Organization	Addressed Testimony Requests	Congres- sionals Tele-Phone	Congres- sionals Written	Briefings for Mem- bers and Staffs	Travel	Congres- sional Notifica- tion	Congres- sional Directives Issued	Legislative Processing	Total
Army	301,730	527,550	739,620	161,190	135,060	31,660	306,124	166,720	2,370,474
Navy	134,924	102,530	354,798	21,882	32,546	4,195	2,464	43,444	996,511
Air Force	25,713	-	661,832	154,740	2,532	5,371	138,235	20,736	1,309,999
Marine Corps	13,079	-	79,325	1,174	522	145	7,600	13,035	127,580
DOD (note a)	41,705	450	63,547	2,049	60	1,130	53,423	39,492	376,153
Total	724,349	930,531	1,998,022	341,225	172,780	42,561	537,833	240,467	4,251,127

a/Includes the activities of the office of nine assistant secretaries of Defense.

b/Includes 193,840 staff-hours which are not itemized under the eight categories.

An estimated 4.9 million staff-hours were required to handle legislative activities during fiscal year 1975. This is equivalent to about 2,300 staff-years, or 14 percent of DOD headquarters personnel. The total cost of providing the Congress with the information it required in fiscal year 1975 is conservatively estimated at \$54.9 million. (Additional data on congressional inquiry and its contribution to workloads are shown in app. V--Special Workload Areas, pp. 169 to 179.)

Conclusions

The trend established by the data shows that Congress has increased its requirements on DOD for information, testimony and other assistance. The Congress should be concerned with DOD management, however, this concern impacts on DOD costs and headquarters staffing levels.

Appearing before the Congress, answering written questions, and processing thousands of congressional requests--all subject to deadlines--generate significant headquarters workload and demand the time and attention of many personnel. As headquarters are reduced in size, an increasing proportion of staff are required to respond to increasing numbers of congressional requests.

The resources required to provide this information appear to be significantly greater than reported. The costs of providing these services should be examined in greater detail so that the Congress will be fully aware of them and the impact of information requests on DOD staffing requirements.

Although we found no violation of the congressional limitation for direct liaison, some changes in cost allocations toward this limitation and accounting for legislative affairs personnel are warranted.

Matters for consideration by the Congress

The Congress should require DOD to determine the total workload and cost of responding to congressional requests for information. This data should be used to assess the reasonableness of the congressional liaison fund limitation and to determine whether economies are possible in the way information is requested from DOD and in the number of staff assigned to process such requests.

OTHER WORKLOADS WHICH INFLUENCE STAFF REDUCTIONS

Other activities that influence the military departments' capability to reduce their staffs are worthy of discussion. The following examples, although not all-inclusive, will further illustrate the difficulties of effecting staff economies.

White House requests

An estimated 38,000 White House requests for information for calendar year 1975 required 27 (13 part time) staff members. Below are estimates of the number of White House telephonic and written requests processed and the number of staff assigned by the military departments and CSD. (The activity survey collected information on non-DOD (OMB, White House, Civil Service Commission, etc.) liaison activity. This information is shown in app. V--Special Workload Areas, pp. 169 to 179.)

<u>Organization</u>	<u>Requests</u>	<u>Staff</u>
Army	14,000	2
Navy	9,075	7
OSD	8,772	5
Air Force	<u>6,384</u>	<u>13</u> (part time)
	<u>38,231</u>	<u>27</u>

The Army Staff assigns all requests to the commands for response.

Public requests--Freedom of Information Act

Increased workloads for DOD component headquarters staffs were partly due to the November 1974 amendment to the Freedom of Information Act (Public Law 93-502). The amendment requires that a determination be made within 10 working days on whether to provide the records requested. The staff must now devote more time to this function to insure that all requests are processed within the time limit prescribed by law. Previously, requests were generally processed routinely along with other work.

For the quarter ended June 30, 1975, 11 separate DOD offices spent an estimated 63 staff-years, costing \$1.3 million (excludes the Department of the Navy) to process public reports.

Additional personnel were permanently assigned to process requests for information. For example, in calendar year 1975, the Army hired 18 civilians and assigned 3 military personnel costing an estimated \$325,000 annually. (Additional data on this type of workload for the top management headquarters is shown in app. V--Special Workload Areas, pp. 169 to 179.

Foreign military sales workload offsets planned Army reductions

The Office of the Director of the Army Staff recommended eliminating thousands of military positions and converting others to civilian positions. A manpower utilization review ending in June 1975, recommended eliminating 1,462 officer positions and converting 108 to civilian positions and eliminating 1,157 enlisted positions and converting 90 to civilian positions. The recommendations were to align strength and grade structure with the fiscal year 1976 budget projections. A total of 706 units, which contained 36,774 officer positions and 47,833 enlisted positions, were reviewed.

Eight Army headquarters offices, however, required an additional 1,026 civilian and 69 military positions to satisfy the additional demands generated by foreign military sales transactions. In June 1975 the Deputy Secretary of Defense directed the military departments to insure that enough qualified personnel were assigned to foreign military sales. This area is a multibillion dollar effort, and the assigned number of personnel and supporting systems were inadequate to handle the increased workload. This increased need could be met by using more civilians or by diverting military personnel from

other tasks. The fiscal year 1976 manpower ceilings, however, were to be observed.

The Army Director of Management reported that no military or civilian positions were available for reprogramming from within the Army ceilings to meet the additional staffing requirements. The offices concerned were told to absorb the workload within current resources.

Increase in Air Staff workload

A study entitled "Assessment of the Functions and Manpower of the Air Staff," completed in April 1975, was made by the Manpower Research and Analysis Group, Deputy Chief of Staff Programs and Resources, at the request of the Air Force Chief of Staff. The study was conducted from February 1974 to March 1975 and was updated in April, May, and June 1975.

The basic charter of the study was predicated on two fundamental ideas. First, by reexamining the Air Staff's management practices, functions could be eliminated, delegated, or transferred. The goals of this examination were to reduce monitoring of the field commands and decentralize authority. Second, if any manpower savings were generated, these savings would be deleted from Air Staff strength. The study concluded that any reductions in Air Staff that reduced monitoring of the field commands would not be consistent with the current practice. The current practice emphasizes closer coordination and involvement with the major commands. Additionally, since those functions involved in monitoring the field commands are assessed at minimum effective manning levels, manpower reductions based upon improving monitoring efficiency are not feasible. Further, any reduction in the functions of the major commands would jeopardize Air Staff effectiveness. Two principal reasons for this were cited. First, such a reduction would hamper coordination between the major commands and the Air Staff. Second, a reduction in monitoring is not consistent with giving the Secretary and Chief of Staff of the Air Force the information they require to manage the force and respond effectively. An analysis of Air Staff requirements determined that approximately 50 percent of the workload at the departmental level emanates from requirements of outside authorities. Thus, the size of the Air Force headquarters at the Washington level is highly sensitive to external agencies.

The study showed that workload in response to external agencies--activities outside the control of the Air Staff--had increased significantly. Two examples are depicted below.

<u>Workload indicator</u>	<u>7/1/73 to 4/1/74</u>	<u>7/1/74 to 4/1/75</u>	<u>Percent increase</u>
Foreign military sales cases	2,557	3,026	17
Environmental policy act actions	26	39	50

During the same periods, overtime required for all Air Staff tasks amounted to 586 staff-years in fiscal year 1974 and 782 staff-years in fiscal year 1975.

The study concluded that the major increase in workload in fiscal year 1975 was accommodated by overtime, management efficiencies, and some loss of responsiveness. Any reductions in Air Staff are dependent upon formally revising its assigned roles and mission; current responsibilities preclude such reductions without further increases in overtime or loss of effectiveness.

Staff loaned to OSD

The staff-year expenditures shown in table 13 depict workload imposed on the Departments of the Army and Air Force by loaning temporary-duty personnel to OSD, formally constituted working groups, and ad hoc committee status. Regularly assigned permanent OSD staff are not included. These requirements were levied by formal and informal requests. We were unable to obtain comparable data from the Department of the Navy.

Table 13

Army and Air Force Staff Loaned to OSD

	<u>Staff years</u>		<u>Percent increase</u>
	<u>8/1/73 to 7/30/74</u>	<u>8/1/74 to 7/30/75</u>	
Army	15.6	42.9	175
	<u>7/1/73 to 4/1/74</u>	<u>7/1/74 to 4/1/75</u>	
Air Force	29.7	49.6	67
Total	45.3	92.5	104

Thus, augmentation by Army and Air Force personnel of the OSD staff has doubled in the past year. The temporary assignment for Army personnel averaged 9 months.

DOD procedures for temporarily assigning personnel to augment the OSD staff require that all requests be submitted to the Deputy Assistant Secretary of Defense (Administration). However, in a number of instances, OSD organizations have levied temporary staff requirements directly on the military departments. Moreover, there is no control over requests for service representation on ad hoc committees or working groups.

Conclusions

The issue here is not how requests result in additional workload but how changing workloads and external demands absorb staff and negate planned economies. These examples further illustrate the difficulty of reducing headquarters staffs. Reducing external requirements to which headquarters must respond will enhance the feasibility of further staff reductions in the military departments. This can be achieved by comparable reductions in the staffs of OSD, JCS, and the defense agencies. Requirements for excessive data preparation, administrative policies that do not recognize the realities in the operating forces or service differences, directives that handcuff program managers, initiation of resource-consuming programs for which no resources are available--all inhibit staff reductions. To respond to these requirements the military departments create cognizant offices which funnel the workload downward--generating an even broader base of staff requirements and paperwork production throughout the services.

Recommendations

The Secretary of Defense should strengthen the authority of the OSD Information Control Office. This could be done by tightening current policies and procedures to comply with the established information control system and/or having this division report directly to the Deputy Secretary of Defense rather than the Assistant Secretary of Defense (Comptroller). This group should assist the Secretary and Deputy Secretary of Defense in coordinating all information needs and direct the improvement and reduction of management information/control systems within DOD. This group should also act as the focal point for all information requested from anywhere in DOD. When new data is requested, the group should review existing data/reports to determine adequacy and should insure orderly and economical development of information systems.

The need for complying with DOD Directive 5000.19, particularly the requirements for licensing and development of accurate cost estimates, should be reemphasized. Net reductions in report requirements should be the basis for measuring achievements against the Management by Objective goals.

In addition, we recommend that the Secretary of Defense:

- Reevaluate the military manpower training information needs and consider consolidating DMRR and MMTR data into budget backup data.
- Establish, with the assistance of the military departments, a single standardized training data base which will most economically meet the needs of all users.
- Require bonus management data to be processed in the established information control system and limit data required from the military departments to the minimum needed to formulate, supervise, and evaluate policy execution.

Matters for consideration by the Congress

The Congress should require Defense to determine the total workload and cost of responding to congressional requests for information. This information should be used to assess the usefulness of the information obtained by the Congress, relative to its cost; to assess the reasonableness of the congressional liaison fund limitation and to determine whether economies are possible.

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 CHIEF COUNSEL AND STAFF DIRECTOR

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United States Senate

COMMITTEE ON APPROPRIATIONS
 WASHINGTON, DC 20510

February 11, 1975

The Honorable Elmer B. Staats
 Comptroller General of the United States
 Washington, D. C.

Dear Mr. Staats:

The Committee is interested in obtaining a study of the civilian and military staffing of the Office of the Secretary of Defense, the civilian secretariats of the military departments, and the immediate staffs of the military departments. As you know, a stated goal of the Department of Defense -- one that has been endorsed by the Congress -- is the reduction of headquarters staff and the application of all or part of the manpower savings to increasing combat forces. It is the opinion of the Committee that, even though some reductions have recently been made in these staffs, there is a potential for further consolidations and/or cutbacks.

This view was endorsed in the extensive study made in 1969-1970 by the Blue Ribbon Defense Panel headed by Mr. Gilbert W. Fitzhugh. The final report of the Panel noted the following problems with these staffs (see pages 36-42 of their July 1, 1970, report):

-- a shifting of Washington headquarters personnel from the "staff" category to the "support" category where it was less visible.

-- evidence that indicated that the size of the headquarters staffs of the military departments was excessive to what was required for efficient performance of their assigned functions. In particular, the Panel noted that "Functional analysis of these staffs reveals an astonishing lack of organizational focus and a highly excessive degree of 'coordination,' a substantial portion of which entails the writing of memoranda back and forth between lower echelons of parallel organizational elements and which serves no apparent useful or productive purpose."

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-- an accumulation of line type activities by the Service military staffs.

-- substantial duplication in all military departments between the secretariat staffs and the military staffs.

-- duplication of support functions between Washington headquarters elements of the Defense Department and activities physically located in the Pentagon.

The Committee believes that, since so few of these recommendations have been implemented to date, a definitive study and analysis should be performed.

In light of these objectives, the study should focus on the following items:

1. The duplication between the personnel in the civilian secretariats and the service military staffs. Is the civilian secretariat's staff providing any significant policy direction and control to the military staff, or is it merely serving as a conduit for material that has been prepared by the military staff?

2. The grade structure in all of these organizations today compared with the grade structure both five and ten years ago. In particular, the Committee is interested in the number of higher grade civilian and military personnel that are required at the highest headquarters for a total manpower level that is approximately 15% smaller than it was ten years ago and 35% smaller than five years ago.

3. Whether the staff of the Office of the Secretary of Defense is making requests of the military departments that are practical and reasonable (both in number and content) and if these generate additional but unnecessary staff requirements.

4. The feasibility of an integrated military and civilian staff for each of the military departments. The Blue Ribbon Defense Panel made the following specific recommendation in this regard (Number I-7):

"The number of Assistant Secretaries in each of the Military Departments should be set at three, and except for the Assistant Secretaries (Financial Management), they should serve as senior members of a personal staff to the Secretaries of the Military Departments without the existing limitations of purview imposed by formal functional assignments. The Assistant Secretary (Financial Management) should become the Comptroller of the Military Department, with a military deputy, as in the current organization in the Department of the Navy.

"The Secretariats and Service Military Staffs should be integrated to the extent necessary to eliminate duplication; the functions related to military operations and intelligence should be eliminated; line type functions, e.g., personnel operations, should be transferred to command organizations; and the remaining elements should be reduced by at least thirty percent. (A study of the present staffs indicates that the Secretariats and Service staffs combined should total no more than 2,000 people for each Department)."

To the Committee's knowledge the recommendation was not implemented, and we are concerned with its feasibility.


5. To what extent the Defense headquarters manpower requirements are directly related to the formulation and review of the President's budget. If a significant proportion of jobs exists where the principal purpose of the job is related solely to budget preparation and review, what is the justification for having those individuals employed on a full time basis rather than a six-month basis?

6. Since 1947 when the Department was created, how many personnel, both military and civilian, have been authorized and assigned to the Office of the Secretary of Defense, the Service civilian secretariats, the Service military staffs, and the Organization of the Joint Chiefs of Staff. This comparison should include a discussion of the size of the armed forces being managed, the number of civilians employed by the Department of Defense and the year-by-year numbers of civilians and military in other headquarters type activities.

The Committee recognizes that a study of this type will require at least nine to ten months of investigation and coordination by the General Accounting Office. We would like to have your report available not later than January 1976. Prior to the final report, the Committee staff should be advised of your progress in September 1975.

With kind regards, I am

Sincerely,


John L. McClellan
Chairman

JLM:ljm

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NINETY-FOURTH CONGRESS
U.S. House of Representatives
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225-4221, GOVERNMENT CODE 187, EXT. 4221

June 9, 1975

Honorable Elmer B. Staats
Comptroller General
U. S. General Accounting Office
Washington, D. C.

Dear Mr. Staats:

This Subcommittee has been concerned by an apparent tendency of the Department of Defense to concentrate its decision-making functions at the higher levels of the Department. It appears that over the past several years, while such high level concentration of authority has been occurring, the lower echelons of the Department, both military and civilian, have been excluded from the command process. It further appears that, as a result of that concentration, there has been an increase in the numbers of top level personnel in the military departments, the civilian secretariats and the Joint Chiefs of Staff organizations, with a concomitant increase in the personnel costs of the Department. We are concerned, of course, by the possible cost increases, but also by the possibility that elimination of the lower echelons from the decision-making process might deprive the Department of some original thinking of lower level people.

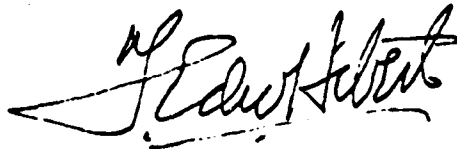
In order to determine the nature and the degree of the apparent escalation, we believe that an examination of the structure of the Department, both in the military departments and civilian secretariats, is required. Accordingly, it is requested that you conduct a review of the Department's command structure to determine the changes, if any, which have occurred in its various components during the past decade. Such an examination should include an examination of the number of persons assigned and the grade structures in the civilian secretariats, the military services and the Joint Chiefs of Staff. It should also involve an analysis of

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the decision-making and command procedures to determine the breadth and depth of the staff participation in the final product. The examination should also attempt to ascertain whether both civilian and military personnel have been assigned similar or identical functional responsibilities. If your staff has any questions in attempting to arrive at the parameters of the proposed examination, it is suggested that they contact Mr. John F. Lally, Counsel of this Subcommittee.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Edw. Hewert". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

F. Edw. Hewert
Chairman

FEH:jlj

DEPARTMENT OF DEFENSE ORGANIZATIONAL CONSIDERATIONS

DOD includes the Office of the Secretary of Defense and the Organization of the Joint Chiefs of Staff, the military departments and the military services within those departments, the unified and specified commands, and eleven defense agencies established by the Secretary of Defense to meet specific requirements. A DOD organizational chart is included on p.

OSD

OSD includes the offices of

- the Director of Defense Research and Engineering;
- nine Assistant Secretaries (Comptroller, Health and Environment, Installations and Logistics, Intelligence, International Security Affairs, Legislative Affairs, Manpower and Reserve Affairs, Public Affairs, the Program Analysis and Evaluation);
- the Director of Telecommunications and Command and Control Systems;
- the Assistant to the Secretary of Defense for Atomic Energy; and
- the General Counsel.

The heads of these offices are civilian staff advisors to the Secretary for the functions he assigns to them. The Secretary is assisted in administering the Department by two Deputy Secretaries, who act for, and exercise the powers of, the Secretary and are responsible for supervising and coordinating DOD activities as directed by the Secretary.

ORGANIZATION OF THE JOINT CHIEFS OF STAFF

The Joint Chiefs of Staff are the principal advisers to the President, the National Security Council, and the Secretary of Defense. They constitute the immediate military staff of the Secretary of Defense, serving in the chain of command that extends from the President, to the Secretary of Defense, through JCS, to the commanders of unified and specified commands. The Directors of the Defense Communications Agency, the Defense Intelligence Agency, and the Defense Mapping Agency report to the Secretary of Defense through JCS. JCS exercise primary staff supervision over the activities of the Defense Nuclear Agency.

Subject to the authority and direction of the President and the Secretary of Defense, JCS responsibilities include: preparing strategic plans and providing for the strategic direction of the Armed Forces, including the direction of operations conducted by commanders of unified and specified commands; reviewing plans and programs of commanders of unified and specified commands; and providing the U.S. representation on the Military Staff Committee of the United Nations.

JCS consists of the Chairman, the Army Chief of Staff, the Chief of Naval Operations, and the Air Force Chief of Staff. The Commandant of the Marine Corps attends meetings regularly and sits as coequal of the other members when they discuss matters that directly concern the Marine Corps. The JCS are assisted in performing their responsibilities by the Joint Staff and other agencies of OJCS.

Joint staff

The joint staff, headed by a director, is composed (by statute) of not more than 400 officers selected in approximately equal numbers from the Army, Navy (including the Marine Corps), and Air Force. The joint staff is organized into directorates concerned with personnel, operations, logistics, plans and policy, and communications-electronics.

MILITARY DEPARTMENTS

The three military departments (Army, Navy, and Air Force) within DOD are each headed by a civilian Secretary. The office of a service Secretary (secretariat) is an extension of the person of the service Secretary. Within each secretariat there is one Under Secretary, a General Counsel, and four Assistant Secretaries, each of the latter being functionally assigned for Research and Development, Manpower and Reserve Affairs, Installations and Logistics, and Financial Management. The Army recently added a fifth Assistant Secretary with responsibility for civil works. The functional designation of the Assistant Secretaries, other than the Assistant Secretary for Manpower and Reserve Affairs, is not made by statute, but by internal organization decision.

Below the predominantly civilian secretariats, which report to the Secretary and Under Secretary of the military departments, are the military staffs, which report to the Army Chief of Staff, the Chief of Naval Operations, the Commandant of the Marine Corps, or the Air Force Chief of Staff.

Army Staff

The Army Staff, presided over by the Chief of Staff, is the military staff of the Secretary of the Army. It includes a general staff, a special staff, and a personal staff. The Army Staff renders professional advice and assistance to the Secretary, the Under Secretary, and the Assistant Secretaries of the Army.

THE CHIEF OF NAVAL OPERATIONS

The Chief of Naval Operations is the senior military officer of the Department of the Navy and takes precedence over all other naval offices, except one who is serving as chairman of the JCS. He is the principal naval advisor to the President and the Secretary of the Navy on the conduct of war and the principal naval adviser and naval executive to the Secretary on activities of the Department of the Navy. He is the Navy member of the JCS.

The Chief of Naval Operations, under the Secretary of the Navy, exercises command over certain central executive organizations, assigned shore activities, and the Operating Forces of the Navy.

The Chief of Naval Operations plans for and provides the manpower, material, facilities, and services to support the needs of the Operating Forces of the Navy, with the exception of the Fleet Marine Forces; maintains water transportation services, including sea transportation for DOD; directs the Naval Reserve; and exercises authority for matters of naval administration, including matters related to customs and traditions of the naval service, security, intelligence, discipline, naval communications, and naval operations.

The Chief of Naval Operations exercises area coordination authority over all Navy shore activities to insure that total efforts afford adequate support to the combatant forces and are coordinated among themselves to insure economy and efficiency of operation.

The Office of the Chief of Naval Operations (OPNAV) is the staff of the Chief of Naval Operations; its function is to advise and assist him in discharging his responsibilities.

COMMANDANT OF THE MARINE CORPS

The Marine Corps, a separate service within the Department of the Navy, is headed by the Commandant of the

Marine Corps. Headquarters U.S. Marine Corps (HQMC), which includes the staff of the Commandant, advises and assists the Commandant in discharging his responsibilities. The staff includes an Assistant Commandant, a Chief of Staff, and several Deputy Chiefs of Staff.

AIR STAFF

The Air Staff furnishes professional assistance to the Secretary, the Under Secretary, and the Assistant Secretaries of the Air Force, and the Chief of Staff.

The Air Staff is a headquarters functional organization under the Air Force Chief of Staff. Titles throughout all organizational levels reflect the functions involved. In addition, there is a board structure, a chief scientist, and an administrative management function. The Air Staff is commonly referred to as Headquarters, USAF.

Air Staff functions are specialized into well-defined areas to effect the management principles of functionality, integration, flexibility, simplicity, and decentralization. The Air Staff retains those management functions that cannot legally be delegated or decentralized, are needed by the Secretary and Chief of Staff, are essential to respond promptly to the Secretary of Defense, or are required to determine the future design and structure of the Air Force.

The Chief of Staff is directly responsible to the Secretary of the Air Force for the efficiency and operational readiness of the Air Force. He is a member of the JCS. He is assisted in all responsibilities, except those pertaining to the JCS, by the Vice Chief of Staff and the Assistant Vice Chief of Staff.

The Special Staff, an adjunct to the Chief of Staff independent of the basic staff structure, provides advisory and support services to both the Chief of Staff and the Air Staff. The Special Staff consists of a scientific advisory board and chaplain, legal, historical, medical, intelligence, studies, and Reserve and National Guard functions.

The Deputy Chiefs of Staff (DCSS) function primarily as a coordinating level on policy matters and represent the corporate structure. Substantive functions are organized under the DCSS in homogeneous groups called directorates. Under the directorates, functions are further broken down into descriptive groups, divisions, and branches.

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The Comptroller of the Air Force functions in the same manner as the DCSs except that he is directly responsible to both the Assistant Secretary of the Air Force for Financial Management and the Chief of Staff.

The board structure in the Air Staff consists of the Air Force Council and below it the Air Staff Board. The Air Force Council presents recommendations of the DCSs on an agenda item to the Chief of Staff. The Air Staff Board presents recommendations of the directors on an agenda item to the responsible staff function or sponsors the item before the Air Force Council. Membership on the Council is at the DCS, Comptroller, and Special Staff level; membership on the Board is at the directorate level.

The Director of Administration specializes in the normal administrative functions of a department. He is directly under the Assistant Vice Chief of Staff and functions like the other directorates.

DEFENSE REORGANIZATIONS FROM 1947

ACTION	THE NATIONAL SECURITY ACT OF 1947	KEY WEST AGREEMENT	NATIONAL SECURITY ACT AMENDMENTS OF 1949	PUBLIC LAW 416, 82D CONG	REORGANIZATION PLAN NO. 6	KEY WEST AGREEMENT	DOD REORGANIZATION ACT OF 1958
DATE	26 JUL 47	21 APR 48	10 AUG 49	28 JUN 52	30 JUN 53	1 OCT 53	6 AUG 58
SECRETARY OF DEFENSE	COORDINATOR FOR GENERAL POLICIES, NAT'L MIL ESTAB.		PRINCIPAL ASST. TO PRESIDENT FOR DOD		PRINCIPAL ASST. TO PRESIDENT FOR DOD NO FURTHER ACTIONS IN DOD. INDEPENDENT OF SECDEF (NOTE 3)		PRINCIPAL ASST. TO PRESIDENT FOR DOD NO FURTHER ACTIONS IN DOD. INDEPENDENT OF SECDEF. INDEPENDENT OF SECDEF. INDEPENDENT OF SECDEF. INDEPENDENT OF SECDEF.
ARMY NAVY AIR FORCE	EXECUTIVE DEPTS. SEPARATELY ADMINISTERED		MILITARY DEPTS. SEPARATELY ADMINISTERED	NOTE 2	MILITARY DEPTS. SEPARATELY ADMINISTERED SECY'S OF MIL DEPTS. AS "OPERATIONAL MGRS" (NOTE 3)		MILITARY DEPTS. SEPARATELY ORGANIZED SECY'S OF MIL DEPTS. AS "OPERATIONAL MGRS"
OSD	3 SPECIAL ASSTS		DEPUTY SECRETARY 3 ASST SECY'S		DEPUTY SECRETARY 9 ASST SECY'S		DEPUTY SECRETARY DIRECTOR OF DOD R & E
	R & D BOARD MUNITIONS BOARD		R & D BOARD MUNITIONS BOARD		GENERAL COUNSEL		7 ASST SECRETARIES GENERAL COUNSEL
JCS	JCS W/O CHAIRMAN JOINT STAFF-100 OFFICERS	NOTE 1	JCS WITH CHAIRMAN JOINT STAFF-210 OFFICERS	NOTE 2	JCS WITH CHAIRMAN JOINT STAFF-210 OFFICERS	NOTE 4	JCS WITH CHAIRMAN JOINT STAFF-400 OFFICERS

Note 1. The Key West agreement provided that CSA, CNO, or CSAI be designated executive agent for the JCS for each of the unified and specified commands.

Note 2. Public Law 416, 82d Congress, 2d session, fixed the statutory minimum strength of the Marine Corps at three divisions and three air wings, and permitted the Commandant of the Marine Corps to sit with the JCS as a counsel on matters affecting the Marine Corps.

Note 3. From the President's message transmitting the reorganization plan to Congress.

Note 4. Revision of the Key West agreement provided that the Secretary of Defense, with advice of JCS, appoint one of the military department as his executive agent for each of the unified and specified commands.

OFFICE OF THE JOINT CHIEFS OF STAFFPERSONNEL STRENGTH TRENDS

The following chart shows the personnel strength and the military/civilian percentages of the OJCS since 1947. The OJCS personnel strength until 1959 was about four to five hundred personnel. At that time, the strength began to increase and reached its peak in 1969 at 2,012 personnel. Since 1969, the trend has been downward, similar to that of the total DOD and its top management headquarters.

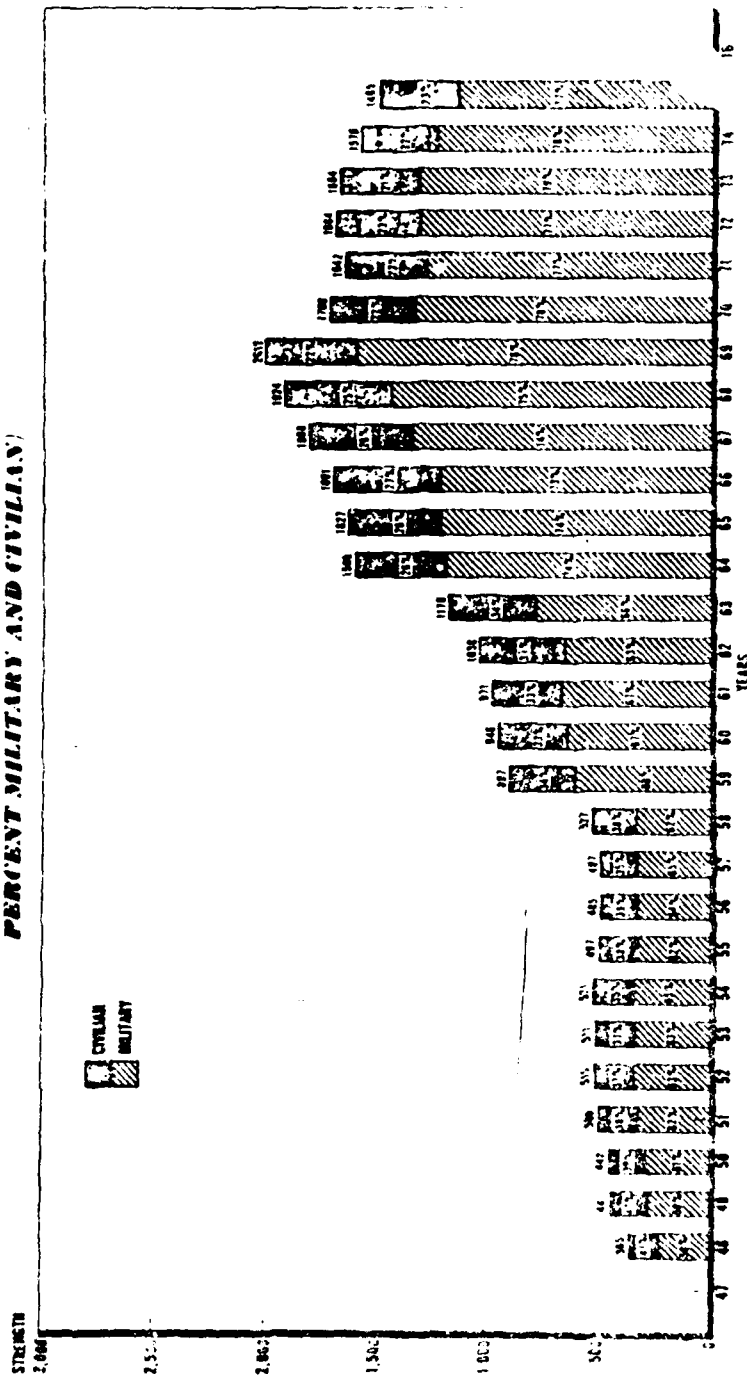
Using the pre-Vietnam fiscal year of 1964 as a base year the OJCS strength in fiscal year 1975 had decreased about 7 percent. Using the peak Vietnam fiscal year of 1968, the OJCS strength in fiscal year 1975 had decreased about 23 percent.

Relative to the 15-percent decrease in the total DOD strength since fiscal year 1964, the OJCS decrease of 7 percent is only about half as much. The OJCS decrease of 23 percent is only about two-thirds as much as the 35-percent decrease in the total DOD strength since fiscal year 1968.

In fiscal year 1968, OJCS made up about 0.04 percent of the total DOD force. In fiscal year 1975, it made up about 0.05 percent.

Since 1971 the civilian and military composition and the average military and civilian grades have not changed significantly.

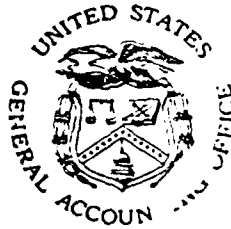
ORGANIZATION OF THE JOINT CHIEFS OF STAFF STRENGTH
PERCENT MILITARY AND CIVILIAN



APPENDIX V

APPENDIX V

Department of Defense Headquarters Activity Survey



FEDERAL PERSONNEL AND COMPENSATION DIVISION

U.S. General Accounting Office

441 G St. NW

Washington, D.C. 20548

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DEPARTMENT OF DEFENSE
HEADQUARTERS ACTIVITY SURVEY

OBJECTIVES

To support the review of Department of Defense (DOD) top management headquarters, GAO made a survey of these organizations. The broad objective of the survey was to provide increased insight into the activities and functional interrelationships of organizational elements at each level of these headquarters. GAO made no conclusions based exclusively upon survey data. The reader should keep in mind that the data reflects the interpretations and perceptions of the respondents. We found, however, that the data accurately portrays organizational differences and management styles of the different headquarters. In a few cases the data is biased by the size of the responding population and may not be wholly representative.

More specifically, the survey was designed to:

- Identify the activities performed by organizational elements at the various organizational levels and the effort devoted to these activities.
- Identify the organizational elements engaged in each activity and the degree of their involvement.
- Obtain an indication of the extent of overlapping of functions, possible duplication, and fragmentation of activities.
- Identify the degree of participation in the decision-making process at each organizational level.
- Obtain an indication of the type and quantity of workload generated by the various levels of authority (including the Congress, the Office of Management and Budget, the White House, and other external agencies).

ACTIVITY SURVEY

The activity survey consisted of:

- Questionnaire development.
- Respondent selection and questionnaire distribution to respondents.

--Questionnaire processing and data base establishment.

--Data analysis.

Questionnaire development

Before constructing the data collection instrument, we attempted to locate existing questionnaires. Two questionnaires existed which were designed to collect data similar to what we were interested in. One was used by the Blue Ribbon Defense Panel in the 1970 functional analysis of Washington headquarters staffs. The other was designed by the Navy Personnel Research and Development Center (NPRDC) to examine information flows in the Navy manpower planning system. Unfortunately, neither of these instruments really filled our needs. The Blue Ribbon Panel questionnaire was too general and in a form which would be difficult to code for computer analyses. The NPRDC questionnaire, in our opinion, was too specific and would require 3 to 6 hours per respondent to complete. We used several aspects from each of these questionnaires to develop a useful questionnaire (see p. 130) which would take roughly 30 to 45 minutes to complete.

Respondent selection and distribution to respondents

By congressional request, the scope of the review was limited to:

- Office of the Secretary of Defense (OSD)
- Office of the Secretary of the Army (OSA)
- Office of the Secretary of the Navy (SECNAV)
- Office of the Secretary of the Air Force (OSAF)
- Office of the Chief of Staff, Army (Army Staff)
- Office of the Chief of Naval Operations (OPNAV)
- Headquarters Marine Corps (HQMC)
- Office of the Chief of Staff, Air Force (Air Staff)

The above organizations were asked to submit lists of those organizational elements which should receive the DOD Headquarters Activity Survey. After reviewing the lists, a few modifications were made with the agreement of the cognizant organizations.

The target population for receipt of the questionnaire were heads of organizational elements at the action office level. The intention was to obtain responses that gave information about their activities rather than activities of higher levels of authority and supervision. We felt that heads of organizational elements at this level would be familiar with broad policy issues of the organization as well as the details of execution and implementation.

Elements consisting of one or two individuals were not sent questionnaires, unless such elements were needed for comparability purposes (i.e., service to service, function to function) or were considered to be of specific interest to our review.

Since the nomenclature of the organizational elements varied widely (a "division" in one organization is comparable to a "branch" in another), the questionnaire included a chart, which showed the relationships between organizational levels and the elements. This illustration, chart 1, represented GAO's conception of the organizational structure of DOD headquarters and was provided to help with the completion of the questionnaire. The values in parentheses indicate the number of organizational elements which responded at each level.

The questionnaires were sent on June 20, 1975. One week was allowed for completion and return to GAO. This was extended at the end of the first week for an additional week, because many respondents were taking leave. The instructions called for the completed questionnaires to be returned directly to GAO.

Questionnaire processing and data base establishment

Before processing the data, a number of steps were taken to insure a high degree of accuracy in the data base. This involved editing the data to make sure answers were valid (i.e., within range) and making inquiries to certain respondents to clarify and verify data. During administration of the questionnaire, the original list of respondents was changed from 1,201 to 1,147 due to organizational changes (i.e., new and deleted organizational elements). Approximately 90 percent of the organizational elements responded. They contained 13,865 personnel, or 83 percent of the 16,667 personnel reported in the headquarters. This response provided a more-than-adequate sample for analysis. Table 1 is a breakdown of the survey respondents.

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Note: the values in parentheses indicate the number of organizations in the study which provided the data.

TABLE 1

DOD Top Management Headquarters
Activity Survey Respondents
June 1975

<u>Headquarters organization</u>	<u>Elements receiving questionnaire</u>	<u>Elements reporting</u>	<u>Percentage of elements reporting</u>
OSD	178	171	96
OSA	26	25	96
SECNAV	95	76	83
OSAF	22	21	95
Army Staff	253	211	83
OPNAV	268	253	94
HQMC	103	96	93
Air Staff	<u>202</u>	<u>184</u>	90
Total	<u>1,147</u>	<u>1,037</u>	90

Data analysis

The Statistical Package for the Social Sciences (a widely used system of computer programs for data analysis) was used to analyze the data. The findings are presented in the following sections.

FINDINGSPersonnelCategories of personnel

Respondents were asked to categorize the personnel in their unit as supervisors, action officers, or supporting personnel. Table 2, below, presents total personnel figures for these three categories in each headquarters. As indicated, 2,223 supervisors, 7,579 action officers, and 4,063 supporting personnel, totaling 13,865 personnel, are included in our sample.

TABLE 2

DOD Top Management Headquarters
Personnel Assigned to Reporting Organizations

<u>Headquarters organization</u>	<u>Super-visors</u>	<u>Action officers</u>	<u>Support personnel</u>	<u>Total</u>
OSD	331	937	664	1,952
OSA	50	129	100	279
SECNAV	223	625	480	1,328
OSAF	56	113	96	265
Army Staff	605	2,287	1,092	3,984
OPNAV	285	915	498	1,698
HQMC	173	518	268	959
Air Staff	<u>500</u>	<u>2,035</u>	<u>865</u>	<u>3,400</u>
Total	<u>2,223</u>	<u>7,579</u>	<u>4,063</u>	<u>13,865</u>

Source: DOD Headquarters Activity Survey, June 1975.

One notable observation is the size of the SECNAV in comparison to the other secretariats. This large difference is at least in part the result of the Navy Department being a two-service organization and of differences in organizational structure. The Department of the Navy has centralized financial management and civilian personnel affairs in two components within their secretariat. These two organizations, the Office of the Assistant Secretary of the Navy, Financial Management, and the Office of the Assistant Secretary of the Navy, Manpower and Reserve Affairs, account for 976 personnel, 73 percent of the total 1,328 Navy secretariat.

The percentage of personnel in each of the three categories and the supervisors-to-total-staff ratio is presented in table 3. Supervisors make up 16 percent of the total headquarters personnel, while action officers and supporting personnel make up 55 percent and 29 percent, respectively. The overall supervisor-to-staff ratio is approximately 1:5. The slightly higher percentage of supervisors in OSA, OSAF, and HQMC is probably due to the smaller relative size of these organizations.

TABLE 3

DOD Top Management Headquarters
Percentage of Personnel in the
Three Categories of Personnel
and Supervisor-to-Staff Ratio

<u>Headquarters organization</u>	<u>Super-visors</u>	<u>Action officers</u>	<u>Support personnel</u>	<u>Supervisor-to-staff ratio</u>
OSD	17%	49%	34%	1:5
OSA	18	46	36	1:5
SECNAV	17	47	36	1:5
OSAF	21	43	36	1:4
Army Staff	15	57	27	1:6
OPNAV	17	54	29	1:5
HQMC	18	54	28	1:5
Air Staff	15	60	25	1:6
Total	16%	55%	29%	1:5

Source: DOD Headquarters Activity Survey, June 1975.

Table 4 presents the civilian-to-military ratios for personnel in each headquarters organization by category of personnel. Overall, within the supervisor and action officer categories, there are about an equal number of civilians and military personnel; while in the support personnel category, civilians outnumber the military by about 6 to 1. Scanning the table discloses a greater utilization of civilians in OSD and the service secretariats while in the military staffs uniformed personnel predominate.

OPNAV and HQMC both have exceptionally low civilian-to-military ratios in the support area.

TABLE 4

DOD Top Management Headquarters
Civilian-to-Military Ratio of Personnel
Assigned to Reporting Organization (note a)

<u>Headquarters organization</u>	<u>Super-visors</u>	<u>Action officers</u>	<u>Support personnel</u>	<u>Total</u>
OSD	3.1:1	2.0:1	4.8:1	2.8:1
OSA	2.6:1	1.6:1	49.0:1	3.3:1
SECNAV	3.8:1	3.3:1	19.0:1	5.1:1
OSAF	1.9:1	.6:1	23.0:1	1.8:1
Army Staff	1.1:1	1.3:1	16.9:1	2.0:1
OPNAV	.4:1	.4:1	2.0:1	.7:1
HQMC	.6:1	.5:1	1.3:1	.7:1
Air Staff	.5:1	.6:1	7.7:1	1.02:1
Overall ratio	1.04:1	1:1	5.9:1	1.5:1
Total				
number	1,131/1,092	3,741/3,838	3,477/586	8,349/5,516

a/Ratios less than one indicate that there are more military than civilian personnel in that group.

Source: DOD Headquarters Activity Survey, June 1975.

The civilian-to-military ratio for heads of organizational elements and their subordinate supervisors is shown in table 5. Overall, with the exception of OSD, OSA, and OSAF, the heads of organizational elements are predominantly military. The SECNAV's office exhibits a much different staffing ratio than the other secretariats. This is due in part to the differences in organizational structure addressed in discussion of table 2 above.

TABLE 5

DOD Top Management Headquarters
Civilian-to-Military Ratios for Heads
of Organizational Elements and Supervisors

<u>Headquarters organization</u>	<u>Heads of organizational elements</u>	<u>Supervisory personnel</u>
OSD	3.4:1	3.1:1
OSA	2.6:1	2.6:1
SECNAV	.8:1	3.8:1
OSAF	2.5:1	1.9:1
Army Staff	.5:1	1.1:1
OPNAV	.2:1	.4:1
HQMC	.2:1	.6:1
Air Staff	.2:1	.5:1
Total	.5:1	1.04:1

Source: DOD Headquarters Activity Survey, June 1975.

Grade distribution

Military and civilian grade structure is shown in table 6.

TABLE 6
DOD Top Management Headquarters
Grade Distribution

<u>Military</u>						<u>Civilian</u>					
<u>Officers</u>			<u>Enlisted</u>			<u>Professional</u>			<u>Clerical</u>		
<u>Grade</u>	<u>No.</u>	<u>Percent</u>	<u>Grade</u>	<u>No.</u>	<u>Percent</u>	<u>Grade (GS)</u>	<u>No.</u>	<u>Percent</u>	<u>Grade (GS)</u>	<u>No.</u>	<u>Percent</u>
07 and up	29	.6	E-7 and up	246	35.4	16 and up	282	5.5	8 and up	202	6.3
06	912	18.9	E-6	196	28.2	15	770	15.0	7	611	18.9
05	1,958	40.6	E-5	119	17.0	14	1,030	20.0	6	1,009	31.3
04	1,414	29.1	E-4	85	12.3	13	1,331	26.0	5	943	29.2
03	457	9.5	E-3	38	5.4	12	609	11.9	4	307	9.5
02	32	.7	E-2	11	1.7	11	443	8.6	3	116	3.6
01	11	.2				9, 10	357	7.0	1, 2	41	1.2
MO	8	.2				7, 8	298	6.0			
Total	4,821	100.0		695	100.0		5,120	100.0		3,229	100.0
Average grade	4.7		Average grade	6.1		Average grade	12.8		Average grade	5.7	
Mode	5		Mode	7		Mode	13		Mode	6	
						Average civilian grade GS-10.0					

Source: DOD Headquarters Activity Survey, June 1975.

Since these personnel work in the top management headquarters of the Department of Defense, it is not unexpected that average grades are relatively high. The median officer grade is about O-5--Lieutenant Colonel or Commander. The average enlisted grade is approximately E-6. Grades GS-13 and GS-14 are predominant among civilian professional personnel. The average professional grade is about GS-13 while the average clerical grade is about GS-6. The overall average civilian grade is approximately GS-10.

Looking at grade distribution by individual headquarters (see tables 6-A, and 6-B), the average officer and enlisted grades are fairly similar. However, there are some noticeable differences. For example, OPNAV and OSD reported at least 10 flag-rank officers compared to 1 or 2 in each of the other headquarters (table 6-A). It should be recalled that our sample was composed mainly of action level officers. We were not surprised by the number of senior officers in OSD. The relatively large concentration of senior officers at the action officer level in the OPNAV is attributable to (1) a liberal use of these officers as special assistants and their placement in the organizational structure and (2) the varied modes of warfare the Navy must prepare for (i.e., surface, subsurface, and air). In the enlisted grades, we could not establish any unusual figures.

The grade distribution of civilian professionals among the eight headquarters organizations is presented in table 6-C. About half of the civilian professionals in OSD and OSAF are in grades GS-14 or above. The service staffs have lower percentages of high-grade professional civilians (GS-15 and up) than the secretariats, except in the Department of the Navy where the staff has a higher percentage of high-grade professionals than the secretariat. HQMC has the lowest percentage of high-grade civilians.

The service staffs have the highest percentages of mid-grade (GS-12 to 14) professionals, comprising approximately 50 percent of each staff's total. In the secretariats, the Navy--with over 50 percent--has the highest percentage of mid-grade professionals as compared to 25 to 30 percent in the other secretariats.

In general, the Department of the Navy (SECNAV, OPNAV, and HQMC) seems to utilize more lower grade (GS-1 through 4) civilian clerical personnel than the other organizations (table 6-D), while OSAF, OSA, and OSD have the highest graded clerical personnel. The wide variance in clerical grades would seem to indicate a lack of uniform standards for grading clerical positions.

TABLE 6-A
DOD Top Management Headquarters
Officer Grade Distribution by Headquarters

Headquarters Organization	07 and up		06		05		04		03		02		01		Warrant Officer		Total		Average Grade
	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	No.	Per- Cent	
0-0	10	2.6	144	36.8	146	37.3	73	18.7	17	4.3	1	.3	-	-	-	-	391	100.0	5.1
OSA	1	1.7	19	32.8	27	46.6	6	10.3	4	6.9	-	-	-	-	1	1.7	58	100.0	5.1
SECNAV	1	.5	44	22.9	55	28.6	47	24.5	33	17.2	9	4.7	3	1.6	-	-	192	100.0	4.4
USAF	1	1.1	26	29.2	24	27.0	15	16.9	23	25.8	-	-	-	-	-	-	89	100.0	4.6
Army Staff	2	.2	169	13.4	652	51.9	362	28.8	63	5.0	4	.3	3	.2	2	.2	1,257	100.0	4.7
OPNAV	11	1.3	240	28.3	351	41.3	212	25.0	23	2.7	8	.9	1	.1	3	.4	849	100.0	5.0
HQMC	2	.5	22	5.1	133	31.1	187	43.8	72	16.9	5	1.2	4	.9	2	.5	427	100.0	4.2
● Air Staff	1	.1	248	15.4	570	36.6	512	32.9	222	14.2	5	.3	-	-	-	-	1,558	100.0	4.5
Total	29	.6	912	18.4	1,958	40.6	1,414	29.3	457	9.5	32	.7	11	.2	8	.2	4,821	100.0	4.7

Source: DOD Headquarters Activity Survey, June 1975.

Table 6-B

DOD Top Management Headquarters
Enlisted Grade Distribution by Headquarters

Headquarters organization	E-7 and up		E-6		E-5		E-4		E-3		E-1, 2		Total		Average grade
	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	
OSD	43	35.4	42	35.0	19	15.7	11	9.1	5	4.0	1	.8	121	100.0	6.2
OSA	-	-	-	-	5	71.4	-	-	2	28.6	-	-	7	100.0	4.4
SECNAV	6	25.0	7	28.0	5	21.0	6	25.0	-	-	-	-	24	100.0	5.8
OSAF	3	50.0	2	33.3	-	-	-	-	1	16.7	-	-	6	100.0	6.5
Army Staff	40	43.0	19	20.5	16	17.2	11	11.8	4	4.3	3	3.2	93	100.0	6.2
OPNAV	51	28.5	50	27.9	34	19.0	25	14.0	12	6.7	7	3.9	179	100.0	5.7
HQMC	50	36.5	38	27.8	18	13.1	21	15.3	10	7.3	-	-	137	100.0	6.1
Air Staff	53	41.4	38	29.7	22	17.2	11	8.6	4	3.1	-	-	128	100.0	6.4
Total	246	35.4	196	28.2	119	17.1	85	12.2	38	5.5	11	1.6	695	100.0	6.1

Source: DOD Headquarters Activity, June 1975.

Table 6-C

DOD Top Management Headquarters
Grade Distribution of Civilian Professionals by Headquarters

Headquarters Organization	GS-16 and up		GS-15		GS-14		GS-13		GS-12		GS-11		GS-9, 10		GS-7, 8		Total		Average grade
	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	
CSD	157	16.3	349	35.2	158	16.4	116	12.0	52	5.4	64	7.0	46	4.8	18	1.9	934	100.0	13.9
OJA	20	17.5	16	14.0	7	6.2	7	6.2	20	17.5	8	7.0	25	21.9	11	9.7	114	100.0	12.1
SECNAV	18	2.5	96	13.3	160	22.2	157	23.1	95	13.2	67	9.3	53	7.3	66	9.1	722	100.0	12.4
OSNAF	25	32.0	13	16.7	5	6.4	7	9.0	7	9.0	9	11.5	10	12.8	2	2.6	78	100.0	13.4
Army Staff	36	2.2	141	8.5	384	23.2	569	34.3	222	13.4	138	8.3	94	5.7	74	4.4	1,653	100.0	12.7
CPNAV	13	3.8	67	19.9	60	17.8	67	19.9	39	11.6	34	10.1	25	7.4	32	9.5	337	100.0	12.5
HMWC	-	-	8	3.0	32	12.1	63	23.9	41	15.5	45	17.1	38	14.4	37	14.0	264	100.0	11.3
Air Staff	13	1.3	80	8.2	224	22.8	335	34.1	133	13.5	74	7.5	66	6.7	58	5.9	933	100.0	12.5
Total	282	5.5	770	15.1	1,030	20.0	1,331	26.0	609	11.9	443	8.7	387	7.0	298	5.8	5,120	100.0	12.8

Source: DOD Headquarters Activity Survey, June 1975.

Table 6-D

DOD Top Management Headquarters
Grade Distribution of Civilian Clerical Personnel by Headquarters

Headquarters organization	GS-8 and up		GS-7		GS-6		GS-5		GS-4		GS-3		GS-1, 2		Total	Average grade
	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent	No.	Per- cent
OSD	28	5.9	186	39.1	176	37.0	51	10.7	22	4.6	8	1.7	5	1.0	476	100.0
OSA	30	30.0	23	23.0	14	14.0	17	17.0	10	10.0	6	6.0	-	-	100	100.0
SECNAV	34	8.7	44	11.3	78	20.0	90	23.1	98	25.1	39	10.0	7	1.8	390	100.0
USAF	30	12.6	26	28.3	28	30.4	8	8.7	-	-	-	-	-	-	92	100.0
Army Staff	48	4.9	167	17.1	292	29.9	357	36.6	66	6.8	26	2.7	20	2.0	976	100.0
OPNAV	15	4.5	53	15.9	117	35.2	91	27.3	42	12.6	10	3.0	5	1.5	333	100.0
HQMC	1	2.3	20	15.3	28	21.4	44	33.6	25	19.1	7	5.3	4	3.0	131	100.0
Air Staff	14	1.9	92	12.6	276	37.8	285	39.0	44	6.0	20	2.7	-	-	731	100.0
Total	202	6.3	611	18.9	1,009	31.2	943	29.2	307	9.5	116	3.6	41	1.3	3,229	100.0

Source: DOD Headquarters Activity Survey, June 1975.

Distribution of effort

To identify organizational activities and the degree of involvement by the headquarters organizations, we prepared a list of 19 possible subject areas from which the respondents could choose (chart 2). The list was prepared after careful examination of organizational mission and functional area statements. We felt that the list would include most of the activities of the organizational elements chosen as respondents. Activities not listed could be written in by respondents under the category of "other." We asked the respondents which of the areas offered was considered their primary area of responsibility. We asked them also to list additional areas considered important because of either staff-years invested or of the mission of their organizational element. The respondents listed 3,384 total activities, including 787 write-in activities. Only seven write-in activities were as primary.

We limited our analysis of organizational activity to five levels of priority (primary, secondary, third, fourth, and other).

CHART 2DOD Top Management Headquarters Activity SurveySubject Areas

- | | |
|---|---|
| 1. <u>Research and development (R&D)</u> (requirements, programming, implementation, test and evaluation, etc.) | 10. <u>Logistics</u> (supply and services, maintenance, transportation, material requirements, procurement, production and distribution, etc.) |
| 2. <u>Intelligence</u> (requirements, collection, processing, production support, etc.) | 11. <u>Public information</u> |
| 3. <u>Security and counterintelligence</u> | 12. <u>Internal auditing and inspection</u> |
| 4. <u>Command, control, and communication</u> | 13. <u>Contracts</u> (audit, administration, monitoring, etc.) |
| 5. <u>Automatic data processing</u> (requirements, management information systems, operations, etc.) | 14. <u>Fiscal and budgetary</u> (financial management, accounting and funding, etc.) |
| 6. <u>Force and contingency planning</u> (strategic and tactical planning and development, force structure, operational readiness and requirements, etc.) | 15. <u>Internal staff administration</u> (staff organization, mail service, reports and correspondence control, forms and space management, support services, etc.) |
| 7. <u>Personnel</u> (accessions, training, promotions, utilization, assignments, compensation, incentives, benefits, etc.) | 16. <u>Legal services</u> |
| 8. <u>Manpower</u> (authorizations, allocations, validation, documentation, etc.) | 17. <u>Congressional liaison</u> |
| 9. <u>Facilities and construction</u> (engineering, real estate, public works, repair projects, etc.) | 18. <u>Administration and management</u> (organizational policy and management, records and administration, awards and decorations, etc.) |
| | 19. <u>Other</u> |

Dominant activities

The distribution of overall effort by staff-years is shown in table 7.

TABLE 7

DOD Top Management Headquarters
Eight Dominant Activities by Staff-Years (note a)

<u>Activity</u>	<u>Staff- years</u>	<u>Percentage of total effort</u>
Fiscal and budgetary	1,651	13
Logistics	1,142	9
Personnel	1,132	9
Administration and management	1,072	9
Force and contingency planning	849	7
Research and development	829	7
Internal staff administration	785	6
Automatic data processing	<u>675</u>	6
Total	<u>a/8,135</u>	66

a/Excludes "other" (1,590 staff-years).

Source: DOD Headquarters Activity Survey, June 1975.

An analysis of the distribution of effort shows that, of the 19 subject areas offered for selection in the questionnaire, 8 activities comprise two-thirds of the aggregate staff-years of effort expended by the reporting organizations. This does not include the "other" category which was 12 percent of the total effort and represented 1,590 staff-years. The fiscal and budgetary activity is clearly the activity which requires the largest amount of effort, 13 percent, compared to the second highest activity, logistics, 9 percent.

The only real surprise is automatic data processing (ADP) which comprises about 6 percent of the total staff-years. One reason for this amount of activity is that our survey data included a substantial number of personnel from Navy's Accounting and Finance Center, Washington. This organization's activities include a substantial amount of ADP. It is currently considered part of Department of the Navy management headquarters, as indicated by the current DOD definition of management headquarters--DOD Directive 5100.73, April 11, 1975.

Table 8 depicts these same eight dominant activities by organization. A number of disparities among the eight headquarters are noticeable. Most notable is that the eight most dominant activities comprise only around half of the total effort of OSA and OSAF, while the other organizations

consider that these eight activities comprise about two-thirds or better of their total effort. This is understandable since the table represents the aggregate distribution of the most dominant activities across all eight top management headquarters.

TABLE 8

DOD Top Management Headquarters
Eight Dominant Activities by Organization
(note a)

Activity	Staff-years as percentage of total effort							
	OSD	OSA	SECNAV	OSAF	Army Staff	OPNAV	HQMC	Air Staff
Fiscal and budetary	13%	5%	25%	4%	12%	11%	19%	13%
Logistics	7	3	2	4	10	10	24	9
Personnel	9	18	3	21	11	6	6	10
Administration and management	12	15	11	9	8	6	6	8
Force and contingency planning	5	1	1	1	5	12	7	11
Research and development	7	4	2	5	6	8	6	8
Internal staff administration	6	2	10	11	6	9	5	5
Automatic data processing	2	1	14	-	5	6	8	5
Percent of total staff-years devoted to 8 dominant activities	61	49	69	54	64	68	79	69
Total staff-years devoted to all activities (note a)	1,724	251	1,090	237	3,570	1,518	838	3,047

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

The fiscal and budgetary activity in SECNAV comprises 25 percent of their total effort. This is very large when compared to OSA and OSAF percentages of their total effort--5 percent and 4 percent, respectively. In the staffs, OPNAV and HQMC also devote a considerable amount of effort to the fiscal and budgetary activity. HQMC's effort of 19 percent is the largest when compared to the other military staffs whose proportional effort in this activity ranged from 11 to 13 percent. The Department of the Navy has centralized the fiscal and budgetary functions in SECNAV; however, the data indicates a high level of effort is also afforded this activity in OPNAV and HQMC.

The highest proportion of effort in OSA and OSAF is in the personnel area. This activity also ranks very high in the Army and Air Staffs.

The considerably lower proportions of total personnel effort in the Department of the Navy top management headquarters (SECNAV, OPNAV, and HQMC) is attributable to the exclusion of the personnel activities which are conducted at the Bureau of Naval Personnel and the Marine Corps Personnel Support Activity. A better perspective between the secretariats is gained when the activity manpower (not shown on the table) is included. A much greater proportion of this activity is conducted in SECNAV, and when combined with personnel these activities amount to twice as many (about 100 versus 50) staff-years of effort than in OSA and OSAF. This reflects the consolidation of civilian manpower management in SECNAV.

The table also discloses that OSD and the secretariats are heavily involved in administration and management. This suggests considerable effort is devoted by OSD and the Departmental headquarters to the ongoing task of organizational management and servicewide administrative policy.

The low percentage (2 percent) in SECNAV for research and development can be explained by the fact that the Office of Naval Research is not included. Although this Office performs various activities for SECNAV, it is a separate management headquarters and, therefore, was not included in our data.

Internal staff administration is relatively large for SECNAV and OSAF--around 10 percent of the total for each. (In the case of OSAF, this is probably due to the consolidation of mailroom and message center functions for both OSAF and the Air Staff in a single unit within OSAF.) OPNAV also devotes a relatively large proportion (9 percent) of their effort to internal staff administration.

Although the most dominant activities of each headquarters are somewhat similar, there are notable differences not depicted in table 8, which are listed below. In OSD, OSA, and OSAF, congressional liaison and the eight most dominant activities depicted in table 8 constitute over two-thirds of the total effort. The concentration of this activity in OSD and the secretariats reflects its centralization at the highest levels of the Department of Defense. Interestingly, however, we also found this activity conducted to a lesser degree in various components in each of the service staffs. Notable differences in each of these organizations are:

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Headquarters activity (note a)	Percentage of total effort
OSD:	
Congressional liaison	6
Command, control, and communications	6
Security and counterintelligence	6
OSA:	
Congressional liaison	29
Security and counterintelligence	7
SECNAV:	
Legal services	13
OSAF:	
Public information	21
Congressional liaison	14
Army Staff:	
Manpower	6
Facilities and construction	12
OPNAV:	
Command, control, and communications	10
Air Staff:	
Command, control, and communications	6
Manpower	6

a/Rank in at least the top 66 percent.

The combined percentages for public information and congressional liaison indicate the high degree of centralization of these activities in OSA and OSAF. This portrays the involvement of the secretariats in projecting service image and programs with the public and the Congress.

Primary activities

Respondents were asked to list their primary area activity, either because of staff-years invested or importance to the mission of their organizational element. Primary activities account for 64 percent of the overall effort throughout the headquarters staffs. The remaining 36 percent is a measure of their involvement in activities other than their primary area. No significant variations in the data between OSD, the secretariats and the staffs were revealed. The percentage of effort devoted to primary area activities varied between 60 and 67 percent.

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An indication of the relative importance of activities is to rank them by the number of times they were listed as primary. Table 9 lists the seven activities which were most frequently listed as primary and compares them to their ranking in total staff-years of effort, shown in table 7. Ranking for the primary area activities are quite similar to those found in table 7; however, there are a couple of exceptions. Research and development is listed first as a primary activity instead of sixth as a percentage of total effort. This is because organizational elements reporting research and development as their primary activity usually have less staff than those engaged in the other major primary activities. Internal staff administration and automatic data processing are not included in the primary area listing, and command, control, and communications is added.

TABLE 9DOD Top Management Headquarters

Most Frequently Listed Primary Area Activities
and Proportion of Total Effort
Devoted to These Primary Activities

<u>Activity</u>	<u>Percentage of total reporting elements listing activity as primary</u>	<u>Total effort (staff-years)</u>	
		<u>Percentage</u>	<u>Rank</u>
Research and development	11.8	6.8	6
Fiscal and budgetary	10.6	13.5	1
Personnel	10.2	9.2	3
Logistics	10.1	9.3	2
Force and contingency planning	10.0	6.9	5
Administration and management	8.3	8.7	4
Command, control, and communications	<u>5.6</u>	<u>4.8</u>	11
TOTAL	<u>66.6</u>	<u>59.2</u>	

Source: DOD Headquarters Activity Survey, June 1975.

Significant staff activities

The respondents were asked to choose their most significant staff activities from the subject area list in the questionnaire. The criteria for selection was their primary area of responsibility, staff-years invested, or importance to the mission of the organizational element. Table 10 depicts the eight activities most frequently chosen (including the primary activity), and they represent about 68 percent of the 2,597 choices (excluding other) selected from our list. The top six activities are the same as the top six primary area activities shown in table 9, but the rankings differ. The differences between tables 9 and 10 are the deletion of command, control, and communication and the addition of congressional liaison and internal staff administration.

The most frequently cited activity is fiscal and budgetary, which was reported 314 times for 12 percent of the 2,597 listed activities. Another notable activity is congressional liaison. This activity, which was mentioned 169 times for 6 percent of the 2,597 listed activities, is not included in the prior rankings. Its inclusion suggests that a large number of organizational elements have some involvement in the area.

The top two-thirds, or most frequently mentioned, of the activities of each headquarters organization are shown in tables 11 through 18. Again, the fiscal and budgetary activity stands out as dominant in nearly all these organizations.

There are, however, notable differences in activities from one organization to another and from the aggregate data displayed in table 10. For example, congressional liaison, in OSD and the service secretariats, is the top activity and represents at least 10 percent of effort. Notwithstanding the consolidation of this activity in the secretariats, it is listed in the top two-thirds of total reported Air Staff activities.

Facilities and construction in OSA rankings is explained by the organizational placement of the civil works function, which exists in OSA and not in OSAF and SECNAV.

The manpower ranking in SECNAV is probably due in large part to the Office of Civilian Manpower Management. It centralizes civilian manpower management for Navy and Marine Corps civilian personnel. This activity is decentralized in the Departments of the Army and Air Force.

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Other notable differences in the listings are public information, which makes its only appearance in OSAF rankings, and force and contingency planning, which only shows up in OSD and the service staffs. The service secretariats, according to the survey data, are not involved in this activity to any great extent. For the most part, administration and management is ranked very high in each of the organizations. The exception is HQMC.

TABLE 10Total DOD Top Management HeadquartersMost Frequently Listed of
2,597 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	314	12
Logistics	234	9
Research and development	233	9
Administration and management	231	9
Personnel	205	8
Force and contingency planning	201	8
Congressional liaison	169	6
Internal staff administration	148	6
Total	<u>1,735</u>	<u>67</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 11

DOD Top Management Headquarters
Office of the Secretary of Defense

Most Frequently Listed of
428 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	46	11
Congressional liaison	44	10
Research and development	38	9
Administration and management	37	9
Personnel	37	9
Logistics	36	8
Force and contingency planning	25	6
Internal staff administration	21	5
Total	<u>284</u>	<u>67</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 12

DOD Top Management Headquarters
Office of the Secretary of the Army

Most Frequently Listed of
56 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Congressional liaison	8	14
Research and development	6	11
Administration and management	5	9
Fiscal and budgetary	4	7
Internal audit and inspection	4	7
Facilities and construction	4	7
Personnel	4	7
Automatic data processing	3	5
Total	<u>38</u>	<u>67</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 13

DOD Top Management Headquarters
Office of the Secretary of the Navy

Most Frequently Listed of
197 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	27	14
Administration and management	22	11
Congressional liaison	20	10
Logistics	16	8
Research and development	14	7
Manpower	14	7
Internal staff administration	14	7
Total	<u>127</u>	<u>64</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 14

DOD Top Management Headquarters
Office of the Secretary of the Air Force

Most Frequently Listed of
54 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Administration and management	8	15
Congressional liaison	6	11
Internal staff administration	6	11
Personnel	6	11
Fiscal and budgetary	5	9
Public information	5	9
Total	<u>36</u>	<u>66</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 15

DOD Top Management Headquarters
Office of the Chief of Staff, Army

Most Frequently Listed of
542 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	62	11
Personnel	58	11
Administration and management	58	11
Logistics	48	9
Force and contingency planning	37	7
Research and development	35	6
Automatic data processing	33	6
Manpower	32	6
Total	<u>363</u>	<u>67</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 16

DOD Top Management Headquarters
Office of the Chief of Naval Operations

Most Frequently Listed of
630 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	87	14
Research and development	78	12
Force and contingency planning	64	10
Logistics	56	9
Command, control, and communications	44	7
Administration and management	44	7
Manpower	39	6
Total	<u>412</u>	<u>65</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 17DCD Top Management Headquarters
Headquarters Marine CorpsMost Frequently Listed of
238 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	34	14
Logistics	34	14
Force and contingency planning	21	9
Personnel	20	8
Automatic data processing	19	8
Research and development	18	8
Internal staff administration	15	6
Total	<u>161</u>	<u>67</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 18DOD Top Management Headquarters
Office of the Chief of Staff, Air ForceMost Frequently Listed of
452 Reported Activities (note a)

<u>Activity</u>	<u>Times listed</u>	<u>Percentage of total reported staff activities</u>
Fiscal and budgetary	49	11
Administration and management	43	10
Force and contingency planning	42	9
Research and development	42	9
Logistics	38	8
Personnel	30	7
Automatic data processing	30	7
Congressional liaison	29	6
Total	<u>307</u>	<u>68</u>

a/Excludes "other."

Source: DOD Headquarters Activity Survey, June 1975.

Fragmentation and duplication of activities

One task in our inquiry was to identify fragmentation and possible duplication of effort. Fragmentation is the division of activities; while duplication, by the American College Dictionary definition, is "anything corresponding in all respects to something else." In our opinion, the more fragmented an activity is, the greater the probability for unnecessary duplication of effort. While redundant activity cannot be pinpointed without an extensive task audit, the data we gathered can be used to assess fragmentation and the potential for duplication.

To estimate this potential, we looked at primary area activity distribution across the organizational structure of the eight top management headquarters. This method looks at fragmentation and duplication in a limited way. We felt this was necessary in view of the scope of the data.

We used the following criteria as rough indicators of potential duplication.

- If an activity is dispersed among several organizational components with no component having a high concentration of organizations engaged in that activity, that activity is considered potentially redundant.
- If an activity is concentrated within a single organizational component and a high number of organizations within the component are engaged in that activity, that activity is probably not redundant.
- If an activity appears to be a logical extension of a particular organizational component, then that activity is also probably not redundant; e.g., the fiscal budgetary activity as part of the comptroller organization.

We used above criteria in evaluating the charts on pages 40 through 43. Charts 1 through 4 show the primary activities in which the various organizational elements within OSD, the service secretariats, and the service staffs are involved. The charts depict the organizational placement of functions and/or activities within the eight DOD top management headquarters. The colored blocks represent the primary activities of organizational elements (e.g., Compensation Directorate of ASD (M & RA)) reported for each

headquarters. The solid color blocks depict primary activities, in that particular headquarters (e.g., OSD), which are in the top 60 percent of the total activities reported. The striped blocks represent the predominant primary activity for that particular organizational component (e.g., ASD Intelligence). These activities did not rank, however, within the top 60 percent for the headquarters as a whole. The values in parentheses denote the number of organizational elements reporting.

One of the first impressions conveyed by the charts is that there is a great deal of fragmentation and hence possible redundancy within the headquarters portrayed. However, redundancy does not necessarily follow. On the basis of our criteria, when you take the number of organizational elements engaged in the activity (in parentheses) and the nature of the activity into account, a much clearer understanding of potentially redundant activities is obtained. Additionally, these criteria should be used with the knowledge that some activities by their very nature cross both organizational and functional lines. For example, the fiscal and budgetary activity is a logical extension and primary activity of the comptroller function; but it is also a logical subactivity of manpower, research and development, installations, and logistics functions, etc.

Using the previously stated criteria, the charts identify the placement of activities in organizational components and could serve as the basis for considering consolidations or eliminations.

Our method for identifying fragmentation which is potentially duplicative is admittedly very rough. To add more objectivity, we decided to examine certain major activities to determine the extent to which they were performed by organizations specifically chartered to manage those activities. This involved grouping organizational elements according to their main activity. We refer to these groupings as functional organizations since their missions are oriented toward a particular type of activity. For example, the research and development (R&D) grouping consists of the following offices.

- Director of Defense Research and Engineering, OSD.
- Assistant Secretary of the Army for R&D, Army Secretariat.
- Assistant Secretary of the Navy for R&D, Navy Secretariat.

- Assistant Secretary of the Air Force for R&D, Air Force Secretariat.
- Deputy Chief of Staff for Research, Development, and Acquisition, Army Staff.
- Director, Research and Development Test and Evaluation, Navy Staff.
- Deputy Chief of Staff for Research and Development and Studies, Marine Corps Staff.
- Deputy Chief of Staff for R&D, the Air Staff.

Five such groupings--operations, research and development, financial management, installations and logistics, and manpower and reserve affairs--included about half of the total number of organizations in our sample.

The most prevalent activities shown in chart 2 were selected for analysis. Some are quite general in character, and thus we expected they would be performed in many organizations. Others are more specialized in nature. Since, in practice, it is sometimes difficult to distinguish between closely related activities, we have combined personnel with manpower and logistics with facilities and construction. We reasoned that most of the specialized activities in DOD would be performed within the corresponding functional components. Looking at the data grouped in this way gives us an additional measure of fragmentation. To the extent that the functional components represent only a fraction of the organizational elements performing corresponding specialized activities (table 19) or they perform only a small portion of the total effort devoted to those activities (table 20), we could infer that those activities are relatively fragmented.

In table 19 we used the total number of activity areas cited by the organizations as being significant because of primary area of responsibility, staff-years invested, or importance to their mission. Thus, a single organizational unit may be performing work in more than one activity. Accordingly, the data should be looked at horizontally. The tables refer to the way effort in particular activities is dispersed across organizations not to the way an organization's effort is spread across various activities.

Analysis of the data in these tables reveals two main points. First, even within relatively well-defined specialized areas, fragmentation is considerable. Second, general activities transcend both functional and organization lines.

Concerning fragmentation, we found that:

- Organizational components in the operations area comprise about one-fifth of the organizations doing force and contingency planning and command, control, and communications activities. These components perform a little over one-third of the total staff-years devoted to these activities.
- Organizational components in the research and development area comprise 38 percent of the organizations involved in R&D activities, and they perform 55 percent of the total effort devoted to R&D.
- Organizational components in the installations and logistics area comprise 43 percent of the organizations involved in logistics, facilities, and construction activities, and they contribute 52 percent of the staff-years devoted to these activities.
- Organizational components in the manpower and reserve affairs area comprise 30 percent of the organizations involved in personnel and manpower, and they contribute 48 percent of the staff-years devoted to these activities.

In summary, we found that functional components represent 43 to 61 percent of the organizations involved in the corresponding specialized activities. But 54 to 71 percent of the total staff-years devoted to the major specialized activities were performed by the functional components specifically organized to manage those activities. This indicated a substantial amount of fragmentation and, hence potential for redundant activity.

We also found that some activities were general in nature and consequently crossed both functional and organizational boundaries. That is, such areas as fiscal and budgetary, administration and management, internal staff administration, and congressional liaison activities were performed in a large number of organizations concerned with a wide variety of activities. This indicates that effort devoted to general organizational management is conducted in nearly all parts of DOD.

TABLE 19

DOD Top Management Headquarters
Functional Organization Groupings
Performing Various Major Activities

Functional organizational component groupings (note a)											
Handpower and											
Specialized activities:	Operations (note b)		R&D		Financial management		Installation and logistics		Reserve affairs		Subtotal
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	
R&D	16	7	88	38	7	3	13	6	5	2	129
Personnel and manpower	11	3	7	2	18	4	20	5	121	30	177
Logistics and facilities											44
and construction	13	4	20	6	13	4	141	43	12	4	199
Force and contingency											61
Planning	40	20	10	5	2	1	22	11	18	9	92
Command, control, and communications	23	19	13	10	2	2	9	7	6	5	53
											43
General activities:											71
Fiscal and budgetary	8	3	40	13	53	17	56	18	19	6	176
Administration and management	11	5	13	5	19	8	29	13	30	13	102
Internal staff administration	11	7	7	3	13	9	19	13	16	11	66
Congressional liaison	8	5	14	6	9	5	23	14	23	14	77
											46
											92
											54
											169

a/Includes all similar functional suborganizations from all the top management headquarters.

b/Only service staff activities.

Source: DOD Headquarters Activity Survey, June 1975.

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TABLE 20

DOD Top Management Headquarters
Staff-Years Expended by Functional Organization
Groupings on Various Major Activities

Functional organizational component groupings (note a)														
	Operations (note b)			Financial management			Installation logistics			reserve affairs			Subtotal	
	Staff-Years	Per- cent	Manpower	Staff-Years	Per- cent	Manpower	Staff-Years	Per- cent	Manpower	Staff-Years	Per- cent	Manpower	Staff-Years	Per- cent
Specialized activities:														
R&D	69	8	456	55	17	2	36	4	16	2	594	235	29	829
Personnel and manpower	58	3	4	2	75	4	44	3	844	48	1,025	50	727	40
Logistics and facilities														
and construction	55	3	93	5	26	2	338	52	31	2	1,145	64	662	36
Force and contingency														
planning	329	39	11	1	12	1	40	5	66	8	458	54	391	46
Command, control, and communications	215	36	23	4	7	1	17	3	73	12	333	56	262	44
General activities:														
Fiscal and budgetary	50	3	95	6	671	41	192	12	96	6	1,104	68	547	32
Administration and management	39	4	52	5	125	12	92	9	174	16	482	46	590	54
Internal staff administration	56	7	15	2	85	11	37	5	112	14	305	39	480	61
Congressional liaison	12	3	30	6	27	6	42	4	64	13	175	37	312	63
a/Includes all similar functional suborganizations from all the top management headquarters.														
b/Only service staff activities.														

Source: DOD Headquarters Activity Survey, June 1975.

Organizational change

The dynamic nature of DOD headquarters organizations is shown in table 21. It shows the percentage of organizational element changes in DOD for fiscal years 1969-75. Changes are the product of external and internal influences, which cause new organizational elements to be formed or old organizations to be restructured. As the data indicates, approximately 30 percent of the organizational elements currently in DOD either did not exist in 1970 or were in different form. This data suggests that DOD is in a continual state of organizational change. In this organizational mode, DOD decisionmaking is formulated.

TABLE 21

Annual Percentage of Organizational Element Changes
in DOD Top Management Headquarters 1969-75

<u>FY</u>	<u>OSD</u>	<u>OSA</u>	<u>SECNAV</u>	<u>OSAF</u>	<u>Army Staff</u>	<u>OPNAV</u>	<u>HQMC</u>	<u>Air Staff</u>	<u>Total</u>
75	11.7	-	10.5	4.8	13.3	7.5	-	2.7	7.8
74	3.5	4.0	1.3	9.5	6.2	5.9	21.9	1.6	6.0
73	2.9	4.0	1.3	-	3.3	3.9	2.1	.5	3.1
72	7.0	-	2.6	-	2.8	15.0	2.1	1.6	6.1
71	2.9	-	1.3	-	2.4	4.3	3.1	2.2	2.8
70	4.7	4.0	2.6	-	0.9	2.4	2.1	2.7	2.5
69 and earlier	67.3	88.0	80.3	85.7	71.1	58.9	68.8	88.6	71.7

Source: DOD Headquarters Activity Survey, June 1975.

Decisionmaking

One of the main objectives of our activity survey was to establish the degree of participation in decisionmaking at each headquarters organizational level. To that end, we asked questions aimed at determining

- the relative degree of authority exercised by each DOD headquarters organization,
- the degree of influence that organizations, which are external to the responding organizations, have on overall Defense position or policy,
- the formal coordination that takes place internally and externally in DOD headquarters,

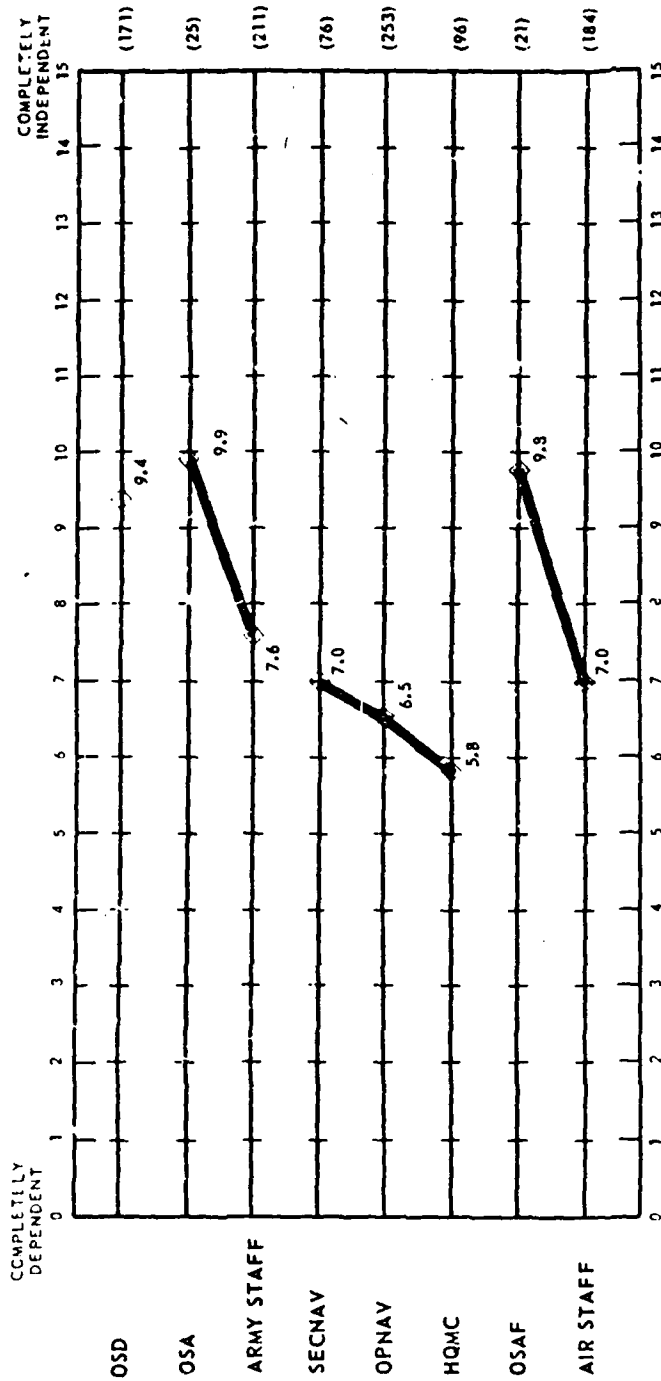
- the extent to which DOD headquarters organizations carry out high-, middle-, and working-level management actions,
- the external origin of high-level management actions, such as policy, directives, and guidance and approvals, concurrences, and decisions, and
- the extent to which the products of middle-level management actions, such as plans, programs, recommendations, and issue papers and data, studies, analysis, etc., are prepared for external organizations.

Degree of authority

Before decisionmaking can take place, individuals must have the authority to make decisions for their organization. Graph 1 depicts the perceived degree of authority exercised in DOD headquarters organizations. As indicated, OSD and the service secretariats, generally, perceive themselves as having more authority than the service staffs. The Department of the Navy perceptions of authority are somewhat different from those of the other Departments. They reflect the centralization of some functional activities in SECNAV (i.e., fiscal and budgetary, manpower). The degree of perceived authority exercised in SECNAV is probably lower because of the data basis exerted by these centralized activities.

Although the overall trend indicates that OSD and the service secretariats perceive that they exercise more authority than the staffs, graph 2 indicates there are some instances of a secretariat perceiving less authority than its staff--indicating a possible conduit relationship. This appeared to be the case between (1) the OSAF (Assistant Secretary of the Air Force for Financial Management) and the Air Staff (Comptroller of the Air Force) fiscal and budgetary function, (2) the OSD (Assistant Secretary of the Army for Installation) and the Army Staff (Deputy Chief of Staff for Logistics) installation and logistics function, (3) the SECNAV (Assistant Secretary of the Navy for Research and Development) and OPNAV, (Navy Director of Research and Development Test and Evaluations) and the HQMC (Marine Corps Deputy Chief of Staff for Research and Development and Studies) R&D function. Further, similar perceptions exist in relation to OSD, with at least one secretariat in three functional areas (R&D, installations and logistics, and fiscal and budgetary) perceiving significantly less authority than OSD.

GRAPH 1
DOD TOP MANAGEMENT HEADQUARTERS
PERCEIVED DEGREE OF AUTHORITY EXERCISED WITHIN PRIMARY ACTIVITY AREA

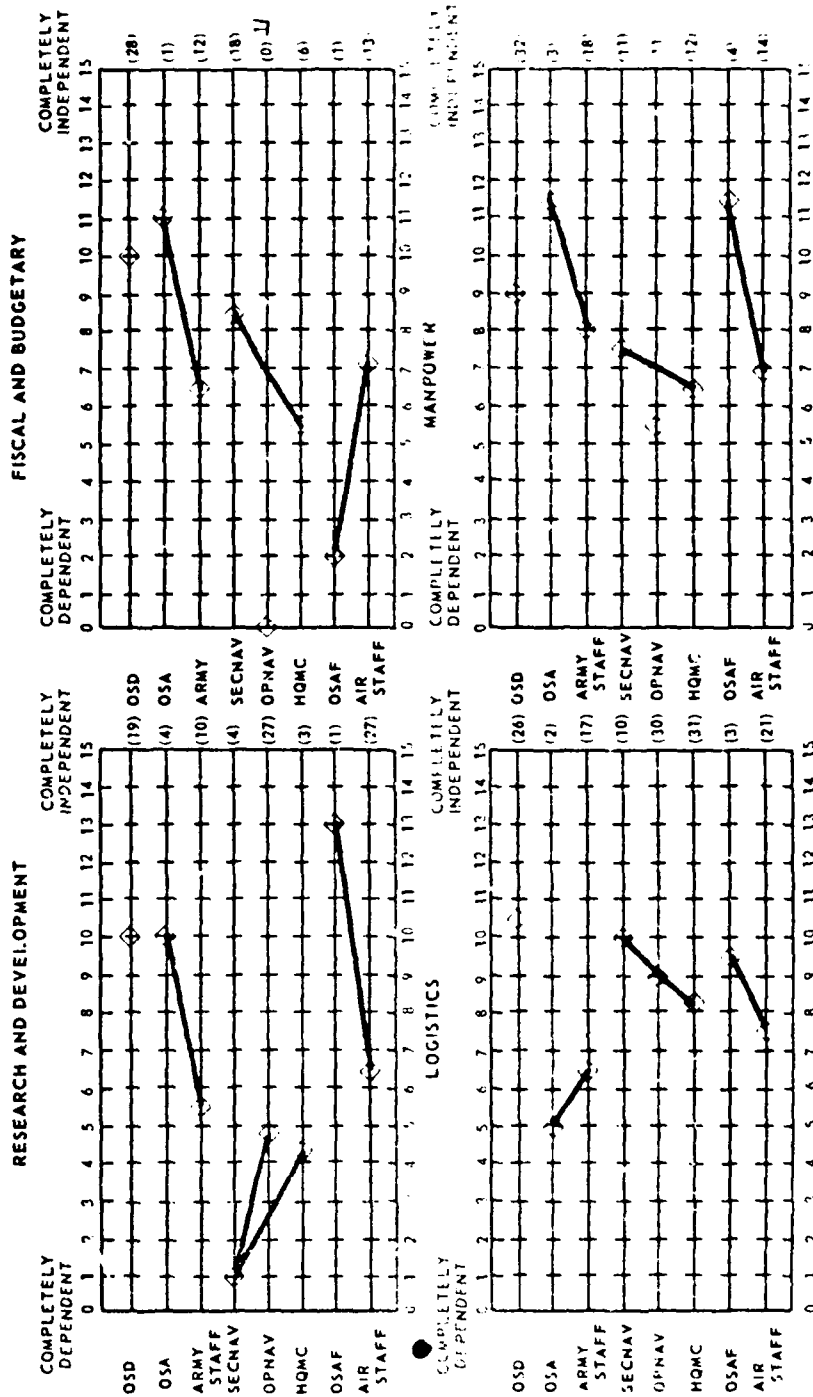


Source: DOD Headquarters Activity Survey
June 1975

AVERAGE EXTENT
NUMBER OF ORGANIZATIONAL ELEMENTS

GRAPH 2

DOD TOP MANAGEMENT HEADQUARTERS
DEGREE OF AUTHORITY WITHIN FUNCTIONAL AREAS



Comparable OPNAV organization consolidated in SECNAV

Source DOD Headquarters Activity Survey, June 1975

Influence on Defense policy

Also affecting decisionmaking is the perceived degree of influence that organizations external to the respondents organizational element have on Defense policy. Examination of the influence of these organizations provides insight into their impact on the decisionmaking process. This is illustrated in graph 3.

Collectively, the service staffs and OSD/Office of the Joint Chiefs of Staff (OJCS) are perceived by the respondents to have about equal influence (about 30 percent each) on Defense policy. The Congress, OMB, and the White House, with approximately 23 percent, ranks relatively high. The service secretariats are perceived as being the least influential overall. The overall data is, however, strongly biased by the large number of staff organizations. The overall 30 percent influence of the service staffs is largely perceived by the Staffs themselves (self-perceptions ranging from 35 percent to 38 percent).

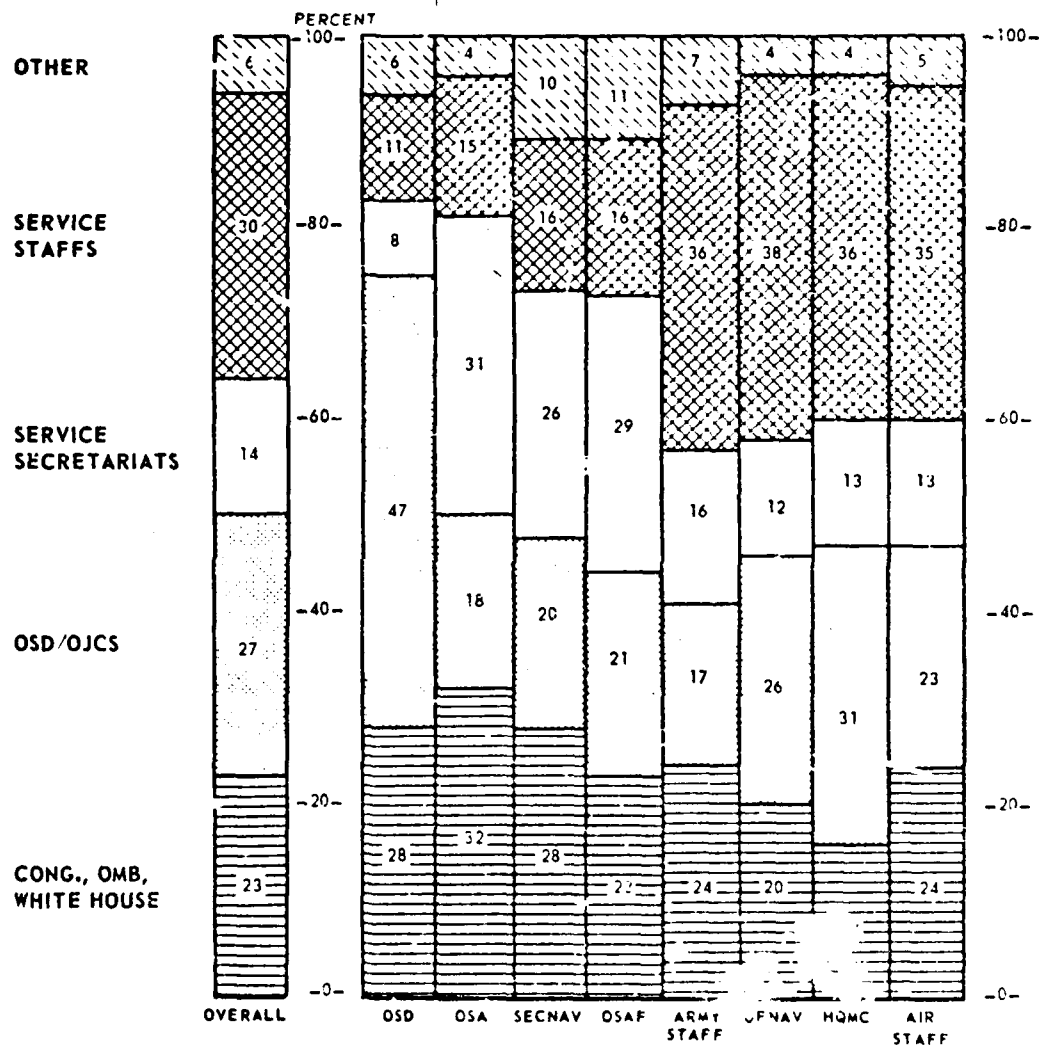
Each organization perceives itself to be highly influential. OSD attributes the least influence to the secretariats (8 percent). The secretariats perceive the staff having the least (11 to 16 percent) influence. In contrast, the staffs see the secretariats as being least influential. OSD/OJCS and the Congress, OMB, and the White House are, however, perceived by all respondents to have a substantial amount of influence. Most significantly, OSD sees the military department headquarters (secretariats and staffs) providing relatively little contribution to the determination of overall Defense position or policy. The data also indicates that although OSD and the staffs perceive the influence of the secretariats to be the lowest, the secretariats feel they are very influential (either the most influential or second only to the Congress, OMB, and the White House) and perceive the staffs to be least influential. This suggests there is no clearly accepted focus of authority in the headquarters organizations concerning Defense policy.

Formal coordination

Internal--Decisionmaking in a large organization requires formal coordination. This is especially true in DOD where so many decisions affect a great many different organizations. The extent of internal coordination in each headquarters organization is illustrated in graph 4. (See chart 1 for organizational levels.)

GRAPH 3

**DOD TOP MANAGEMENT HEADQUARTERS
EXTERNAL INFLUENCE ON DEFENSE POLICY WITHIN PRIMARY AREA ACTIVITIES**

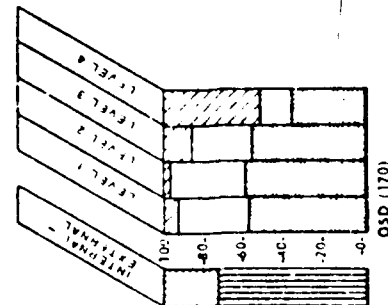
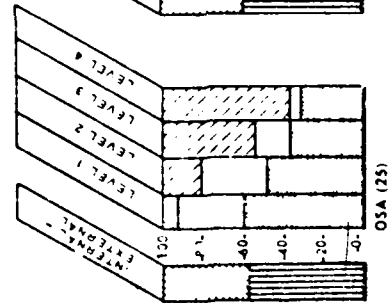
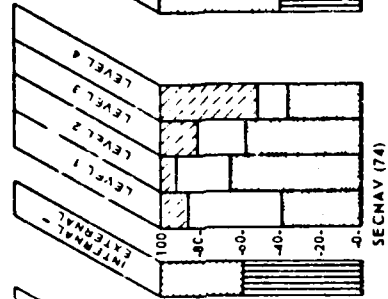
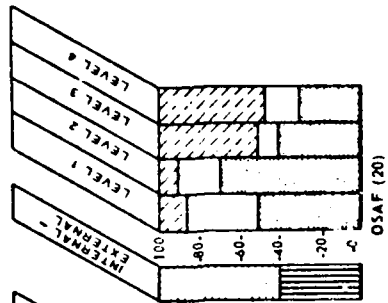


Source: DOD Headquarters Activity Survey,
June 1975

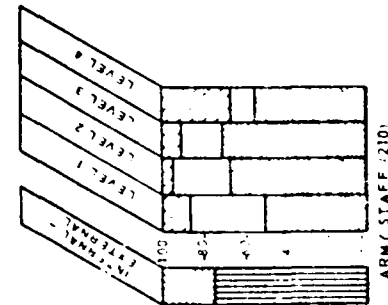
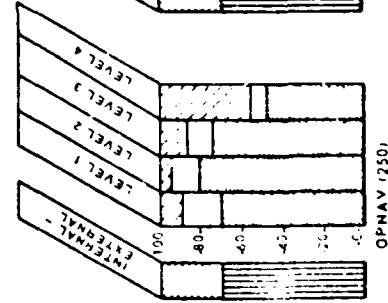
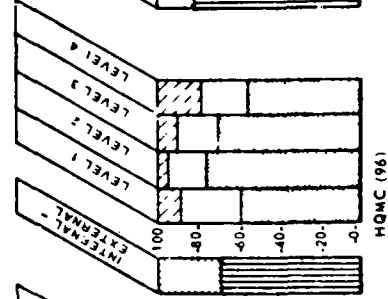
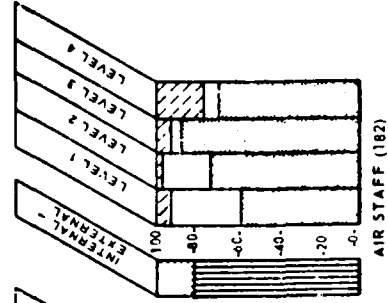
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GRAPH 4
DOD TOP MANAGEMENT HEADQUARTERS
INTERNAL FORMAL COORDINATION



EXTERNAL
INTERNAL
NO. OF
RESPONDING
ORGANIZATIONAL
ELEMENTS



EXTERNAL
INTERNAL
NO. OF
RESPONDING
ORGANIZATIONAL
ELEMENTS

Source: DOD Headquarters Activity Survey,
June 1975

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In OSD approximately 70 percent of all formal coordination is internal. The highest degree of coordination is the Assistant Secretaries of Defense-level 2.

OSA and SECNAV conduct more formal internal coordination (60 percent) than does OSAF (40 percent). In OSAF and SECNAV, most coordination is at the Assistant Secretary-level 2; while in OSA, most coordination takes place at the Secretary-level 1.

In the service staffs, 70 to 80 percent of the formal coordination is internal. In these staffs, the highest amount of coordination is at the Deputy Chiefs of Staff-level 2, except for the Army and Air staffs, where most coordination (particularly Air Staff) is at the Directorate and equivalent level-level 3. Notable is the high amount of coordination (approximately 50 percent or greater) at all levels of the service staffs.

Overall, with a few exceptions, the respondents coordinate most with the organizational level just above them, and generally the lowest organizational levels received the least amount of formal internal coordination. Plainly, most formal coordinations is internal and is oriented upward.

External--Graph 5 illustrates the extent of formal coordination conduct by each headquarters with external organizations. OSD external coordination is largely with the staffs; but the service secretariats run a close second. The service secretariats conduct the greatest amount of external formal coordination. Most secretariat coordination is with their staffs and OSD. Most coordination of the staffs is with their Secretariats. OPNAV and HQMC coordinate with OSD/OJCS slightly more than Army and Air Force staffs.

Most external formal coordination is within the military departments (that is, secretariats coordinating primarily within their service and vice versa). In addition, all respondents frequently coordinated with OSD/OJCS.

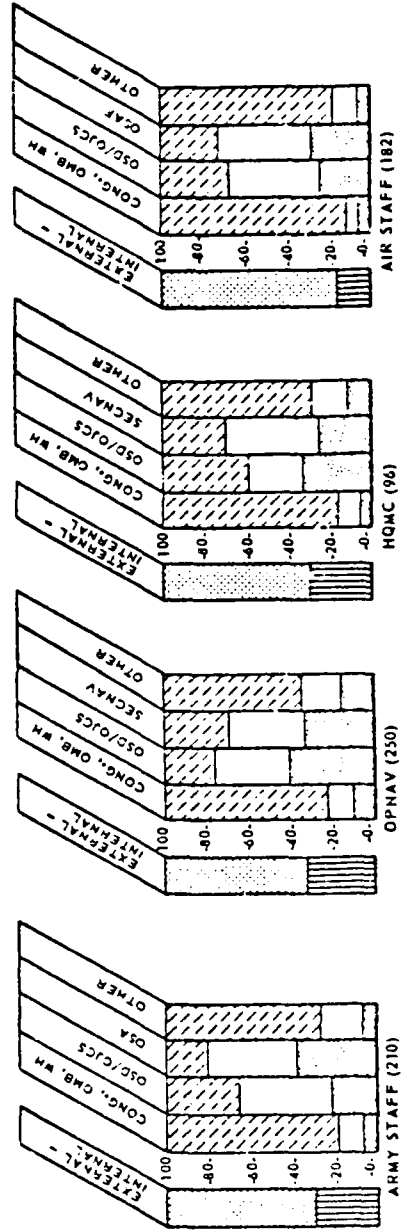
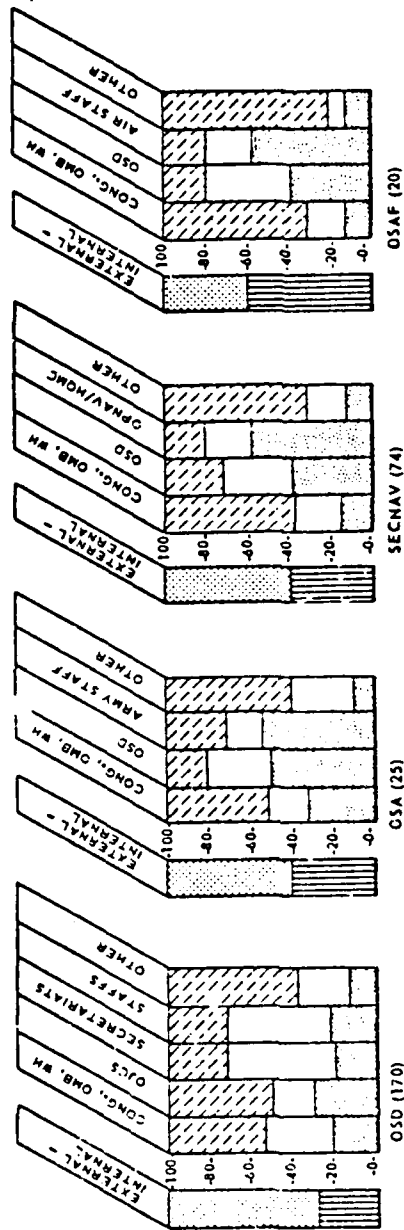
Involvement in management actions

Directly related to decisionmaking is the management role played by the headquarters organizations at the different DOD levels.

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GRAPH 5
DOD TOP MANAGEMENT HEADQUARTERS
EXTERNAL FORMAL COORDINATION



Source: DOD Headquarters Activity Survey,
June 1975

To facilitate the analysis of the data and to measure the headquarters organizations involvement in the decision-making process, GAO developed sets of management actions which we categorized as high-, middle-, and working-level (table 22). We also developed groups of activities--direct mission, direct support, indirect support, and external. These are listed in table 23. Direct mission activities are those which more directly affect operational readiness. Direct support activities support the direct mission and are generally large in scope. Indirect support activities also support direct missions but not directly, and are normally more limited in scope. External activities are those which relate to outside organizations.

The respondents were asked to determine the extent of their primary activity involvement in the management actions. Six choices were given--ranging from "not involved in this area at all" to "involved to a very great extent."

TABLE 22

Set of Management ActionsHigh Level

Setting of goals or constraints such as policy, guidance, priorities, requirements, objectives, directives, etc.

Making decisions, sanctioning, or noncurrence to plans, programs, etc., prepared by others.

Formulation, justification, and execution of budgets or other fiscal matters. a/

Middle Level

Establishing authorizations, allocations, force levels, force structure, etc.

Reviewing, evaluating, commenting, or advising on plans, programs, etc.

Formulation, justification, and execution of budgets or other fiscal matters. a/

Working Level

Preparation of Plans, programs, projections, estimates, recommendations, issues, reclaims, etc.

Conducting studies or analyses, gathering data, developing findings, conclusions, or alternatives.

Collecting, assembling, scheduling, coordinating, integrating, distributing, forwarding, or filing of information.

Implementing, administering, monitoring, or managing programs.

Formulation, justification, and execution of budgets or other fiscal matters. a/

a/Conducted at all levels.

Source: DOD Headquarters Activity Survey, June 1975.

TABLE 23

Activity GroupsDirect Mission Group

Command, control, and communications
Intelligence
Force and contingency planning
Logistics
Facilities and construction
Manpower

Direct Support Group

Research and development
Personnel
Fiscal and budgetary
Security and counter-
intelligence
Administration and management

Indirect Support Group

Automatic data processing
Internal staff administration
Internal auditing and
inspection
Contracts

External Group

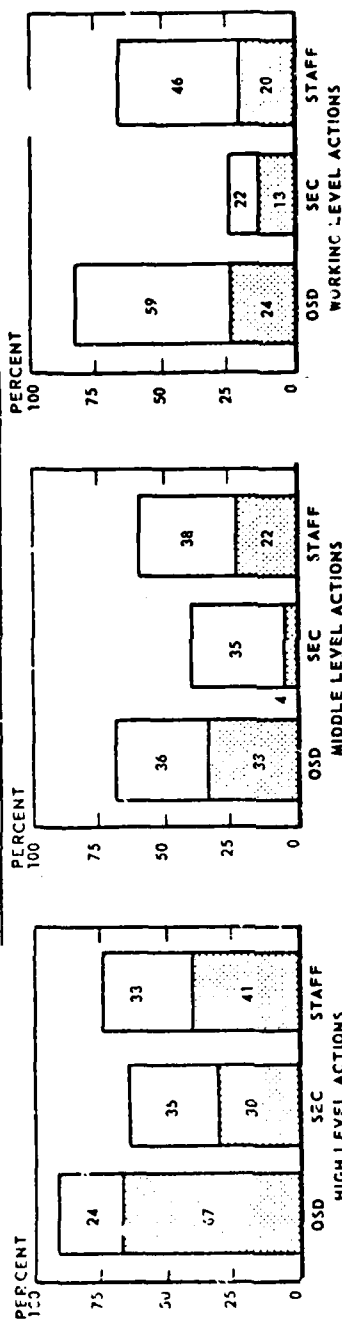
Public information
Congressional liaison
Legal services

Source: DOD Headquarters Activity Survey, June 1975.

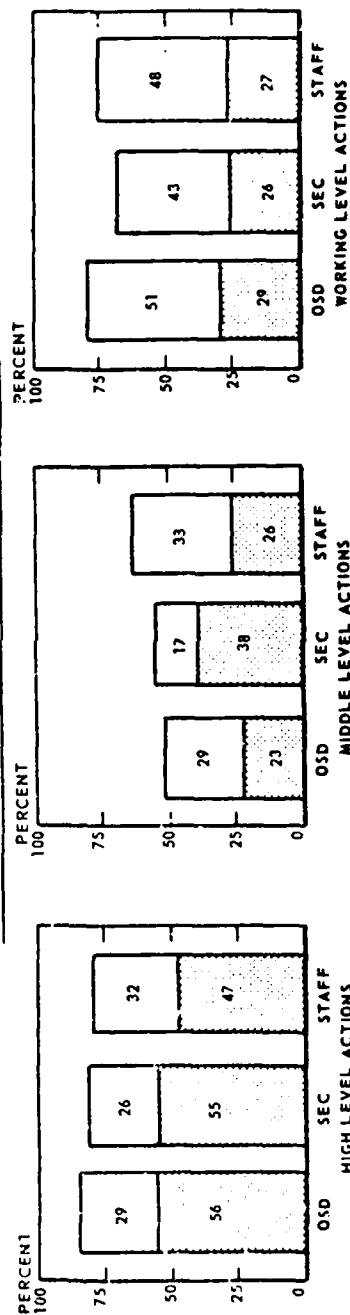
To facilitate data display, the secretariats and service staffs are displayed collectively. We limited our analysis to those respondents who answered "moderate" or "great extent" of involvement. The data is displayed in graphs 6 and 6A.

In direct mission activities, OSD shows a relatively high degree of involvement in the high-, middle-, and working-level management actions, with the staffs a close second. The secretariats show a relatively low degree of involvement in each of the management actions, except for high level.

GRAPH 6
DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN MANAGEMENT ACTION LEVEL /BY ACTIVITY GROUPS^{2/}
DIRECT MISSION ACTIVITIES: OSD (58) SEC (23) STAFFS (294)



DIRECT SUPPORT ACTIVITIES: OSD (77) SEC (47) STAFF (314)



Source: DOD Headquarters Activity Survey,
June 1975

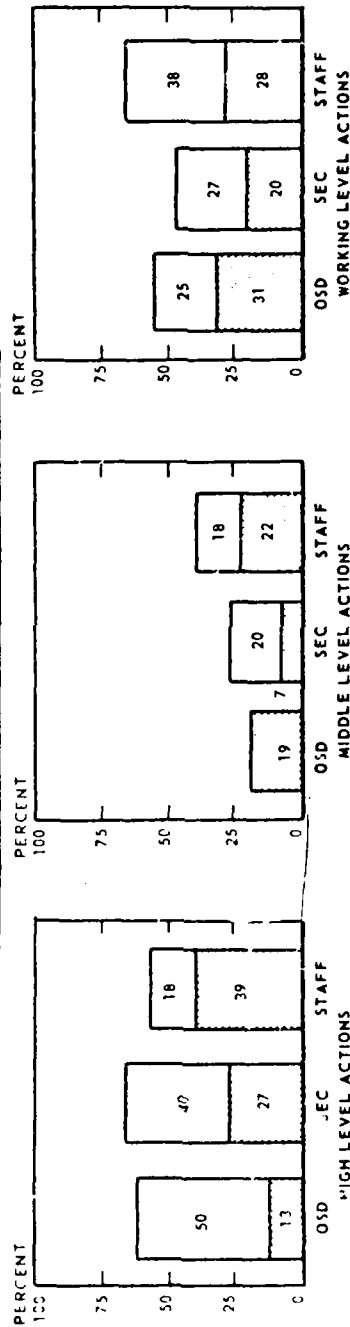
() NUMBER OF ORGANIZATIONAL ELEMENTS

^{2/}See Table 22

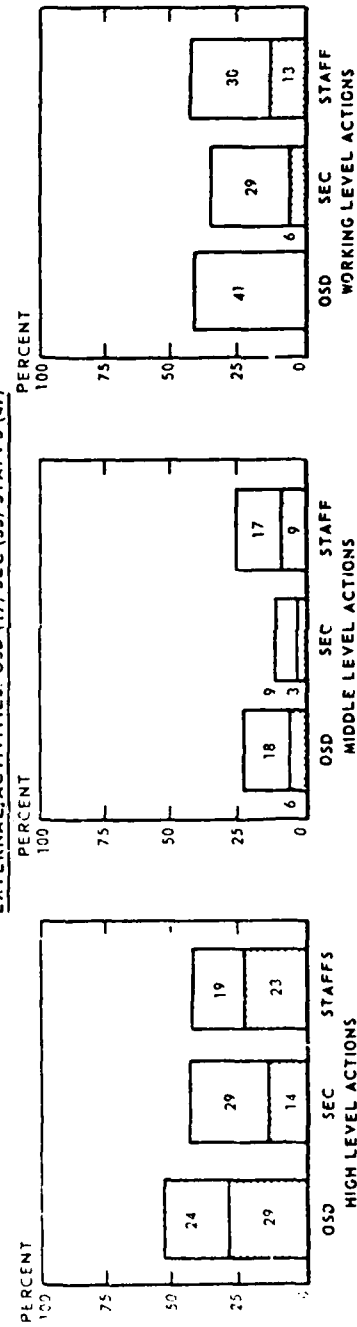
^{3/}See Table 23

MODERATE
GREAT

GRAPH 6 A
DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN MANAGEMENT ACTION LEVEL/BY ACTIVITY GROUPS^{2/}
INDIRECT SUPPORT ACTIVITIES: OSD (16) SEC (15) STAFFS (87)



EXTERNAL ACTIVITIES: OSD (17) SEC (35) STAFFS (47)



Source: DOD Headquarters Activity Survey,
June 1975

() NUMBER OF ORGANIZATIONAL ELEMENTS

^{1/} See Table 22
^{2/} See Table 23

MODERATE
GREAT

In direct support activities, the high-, middle-, and working-level management actions are done at about the same degree in each of the headquarters.

In indirect support activities, the staffs are more involved in high- and middle-level management actions than the secretariats and OSD. OSD involvement in working-level management actions is significantly high--almost as high as the staffs.

In the last activity group--external, OSD is predominant in the high-level actions, while the secretariats and staffs are relatively equal. Middle-level actions show a low degree of involvement by all involved; but OSD and the staffs involvement is somewhat higher than the secretariats. The staffs have the highest involvement in the working-level actions, but the secretariats and OSD are relatively close to them.

A generally consistent pattern observable in these two graphs is that OSD involvement in management actions is more prevalent than the secretariats' involvement. Another observation is the very high involvement of OSD in working-level actions. With the exception of the external group of activities, OSD involvement in working-level management actions is greater than the military departments (secretariats and staffs).

This section examined the involvement of OSD, the secretariats, and the staffs in high-, middle-, and working-level management actions by groupings of activities. In the next section we examine what influence internal and external organizations (primarily external) have on certain of the high- and working-level management actions.

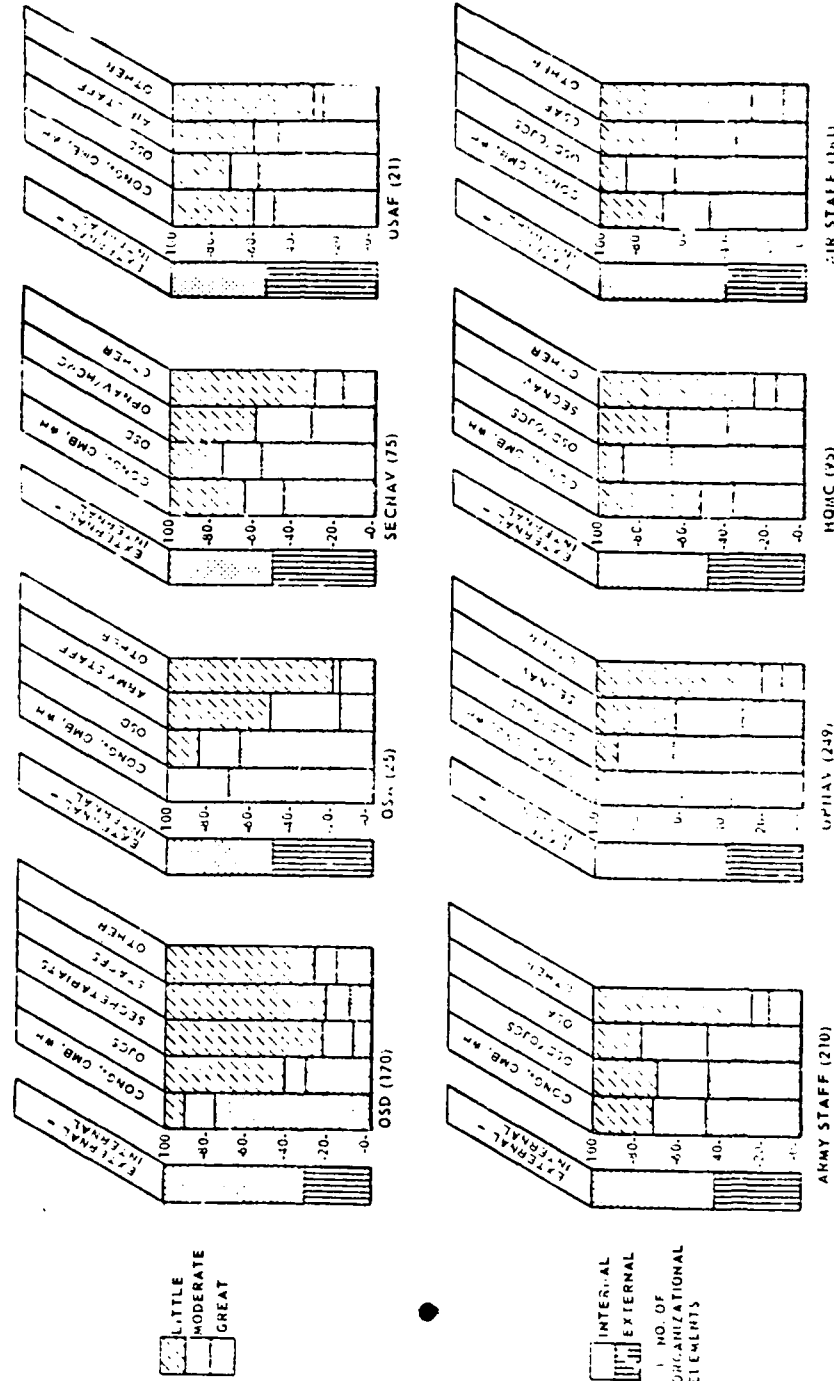
Origins and influence of external management actions

To further ascertain where decisions are made, we asked the respondents to identify for certain specific high-level management actions the portions originating internal or external to their headquarters. We also asked the respondents to identify management actions originating in external organizations and the extent they directly affected their organizational elements' primary activity. We limited this inquiry to two sets of high-level management actions (1) policy, directives, and guidance and (2) approvals, concurrences, and decisions. The sources of these sets of management actions and their extent are depicted in graphs 7 and 8.

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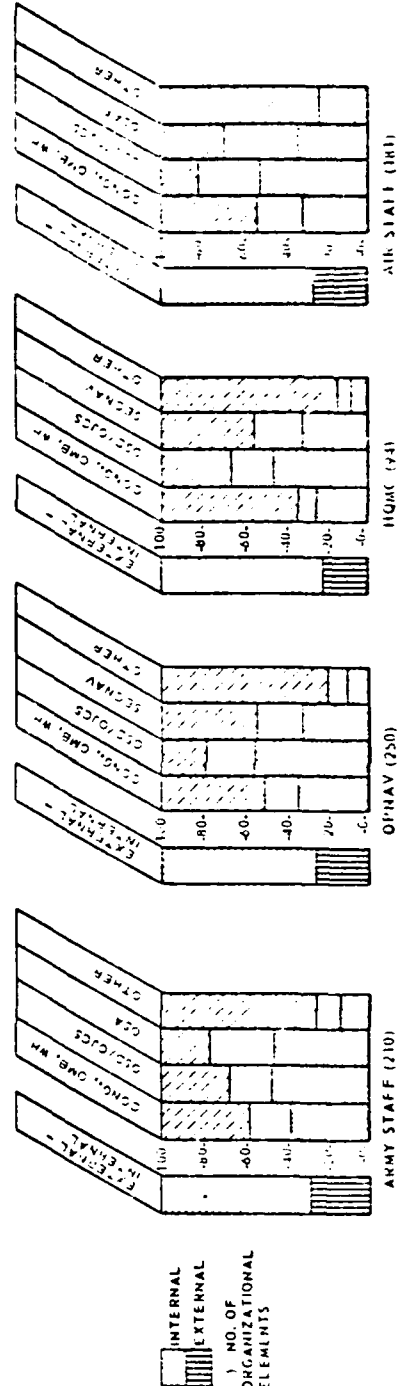
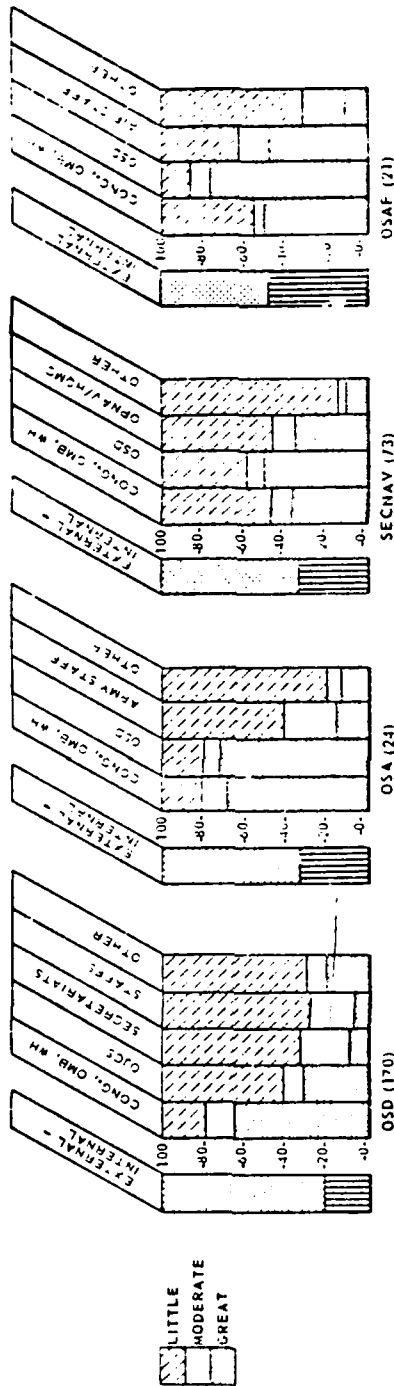
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GRAPH 7
DOD TOP MANAGEMENT HEADQUARTERS
POLICY, DIRECTIVES, AND GUIDANCE
ORIGINATED BY EXTERNAL ORGANIZATIONS



Source: DOD Headquarters Activity Survey,
June 1975

GRAPH 8
DOD TOP MANAGEMENT HEADQUARTERS
EXTENT OF APPROVALS, CONCURRENCES,
AND DECISIONS ORIGINATED BY EXTERNAL ORGANIZATIONS



Source: DOD Headquarters Activity Survey,
June 1975

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Most management actions, particularly approvals, concurrences, and decisions, originate within the headquarters of the respondents. In OSD, the major external sources of this set of management actions are the Congress, CMB, and the White House. In the secretariats, however, the dual impact of these management actions originating in OSD and the Congress, OMB, and the White House is especially evident. Also notable is that OSAF respondents see the Air Staff affecting their activities in these high-level management actions to a significantly greater extent than the other secretariats see their service staffs doing so.

Respondents in the service staffs, with the exception of the Army, concurred in the extent these management actions originate in external organizations, with OSD originating them to a significantly greater extent than the secretariats. In the Army Staff, the extent of the influence of these actions by external organizations is, generally, equally distributed.

The data suggests, for the most part, that these management actions originate within the headquarters of the respondent. For those that originate externally, OSD respondents do not see the military departments as very influential in the high-level management action areas of policy, directives, guidance, and approvals, concurrences, and decisions. The Air Staff is, in these management actions, significantly more influential in its secretariats than the other staffs. The service staffs, except for the Army, see OSD overshadowing their respective secretariats in these management actions.

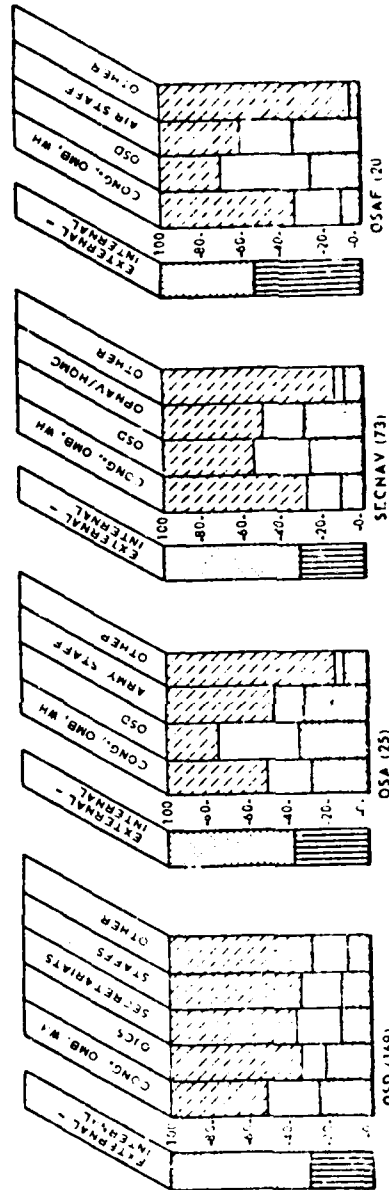
Management actions for external organizations

We also asked the respondents to identify for certain specific working-level management actions the portions for organizations internal or external to their headquarters. We asked them to further identify the organizations and to indicate the extent these management actions were for external organizations. We limited this inquiry to two sets of working-level management actions (1) develop, prepare, or formulate plans, programs, recommendations, issue papers and (2) provide data, studies, and analysis.

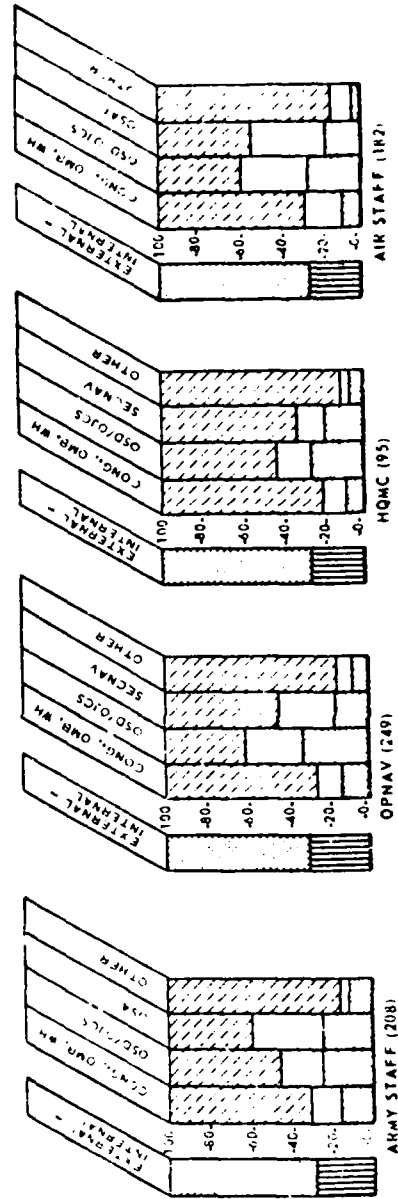
Graphs 9 and 10 show that, with the exception of OSAF, the respondents generally perform about 70 percent of these management actions for their own headquarters. About half of these management actions that OSAF performs is for external organizations.

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GRAPH 9
DOD TOP MANAGEMENT HEADQUARTERS
EXTENT OF PREPARATION OF PLANS, PROGRAMS,
RECOMMENDATIONS, ISSUE PAPERS FOR EXTERNAL ORGANIZATIONS



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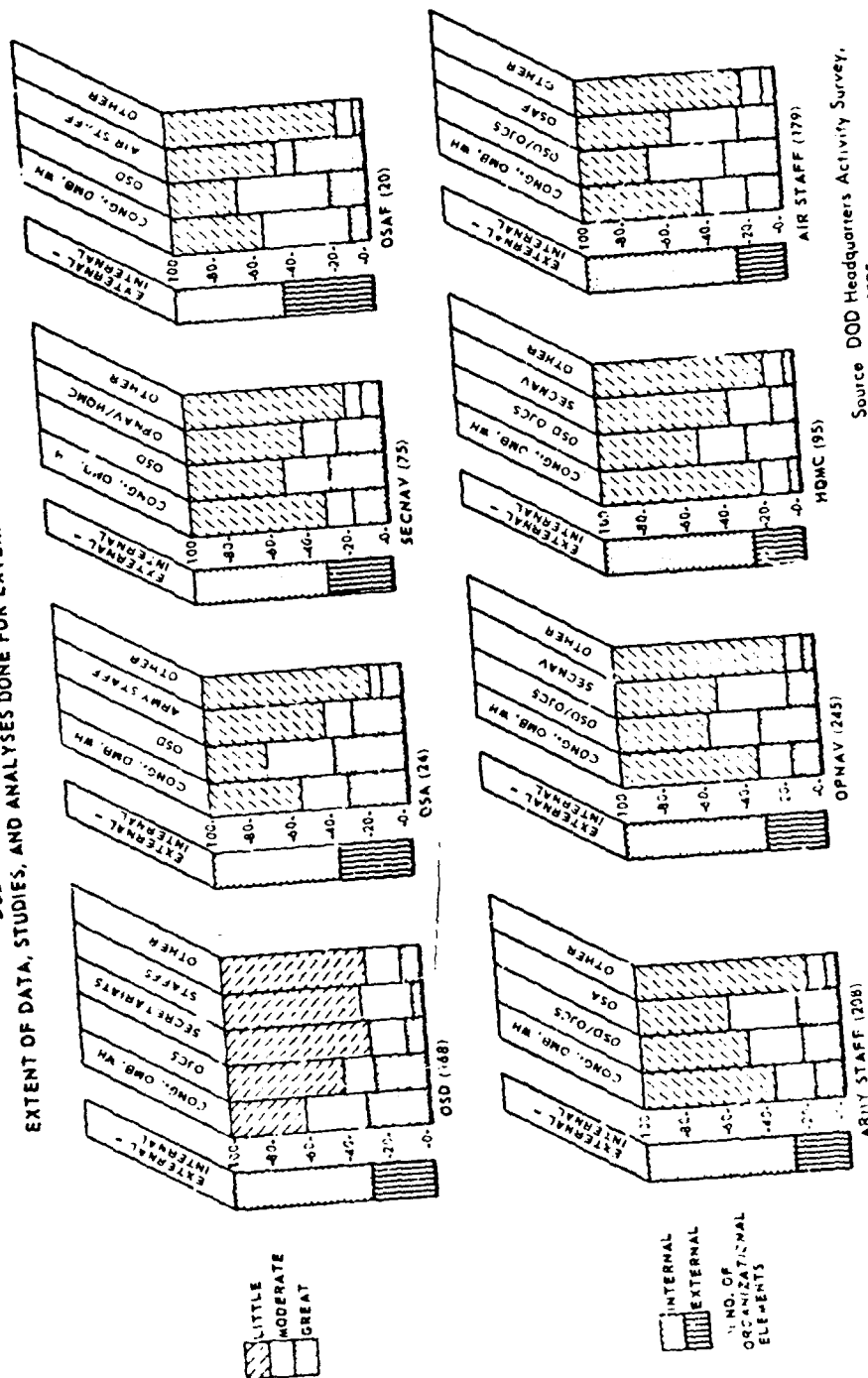


Source: DOD Headquarters Activity Survey,
June 1975

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GRAPH 10
DOD TOP MANAGEMENT HEADQUARTERS
EXTENT OF DATA, STUDIES, AND ANALYSES DONE FOR EXTERNAL ORGANIZATIONS



Source: DOD Headquarters Activity Survey,
June 1975

In OSD, data, studies, and analyses are prepared largely for the Congress, OMB, and the White House. Plans, programs, recommendations and issue papers, however, are also prepared to a considerable extent for the military departments. In general, the secretariats and service staffs do most of these management actions for OSD; however, many are also done for other components of their departments. This is particularly notable in the Army Staff, which prepares these management actions mostly for OSA.

The data suggests that integration of working-level management actions is greater in the Department of the Air Force than the other Departments.

Generation of workload

In our questionnaire, we asked several questions to determine the workload origins for each headquarters organization. One of these questions dealt with the origins of workload in the primary activity of the respondents organizational element. Graph 11 depicts, for each headquarters, the percentage of workload generated externally and internally. As indicated, the origin of workload in the secretariats is largely external. This reflects the intermediary role of buffer and interpreter performed by the service secretariats for their staffs with OSD and the Congress, the White House, OMB, and other Government agencies. In contrast, in OSD and the service staffs, workload originates more from internal organizations.

Of that workload which originates internally, slightly more than 50 percent comes from the two highest levels of management in each headquarters organization; in OSD and the secretariats, the Offices of the Secretaries and the Assistant Secretaries; in the staffs, the Offices of the Chiefs of Staff and the Deputy Chiefs of Staff.

Overall, the external workload is dominated by agencies outside the Department of Defense--the Congress, OMB, the White House, and other governmental agencies. This is particularly evident in OSD.

Special workload areas

We examined two special areas of workload in our questionnaire. Graphs 12 through 18 represent the amount of effort expended on (1) congressional matters, non-DOD agencies (White House, OMB, etc.), directed studies, ad hoc committees external to the respondents headquarters, and

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response to the press and general public under the Freedom of Information Act; and (2) headquarters involvement in the budget process.

Graph 12 illustrates that 24 percent of the total effort of top management headquarters in fiscal year 1975 was devoted to congressional inquiry, non-DOD liaison, committee assignments, and public response. These activities required 3,237 staff-years at a cost of about \$76.3 million. The Army Staff, Air Staff, and OSD reported the most staff-years and greatest expenditures to these activities. The breakdown of the staff-years by organization is depicted in graph 13.

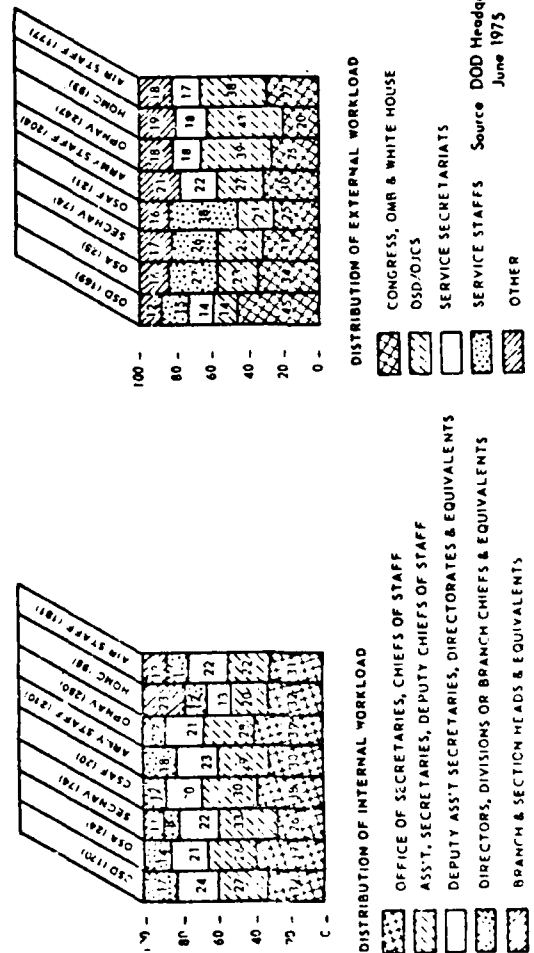
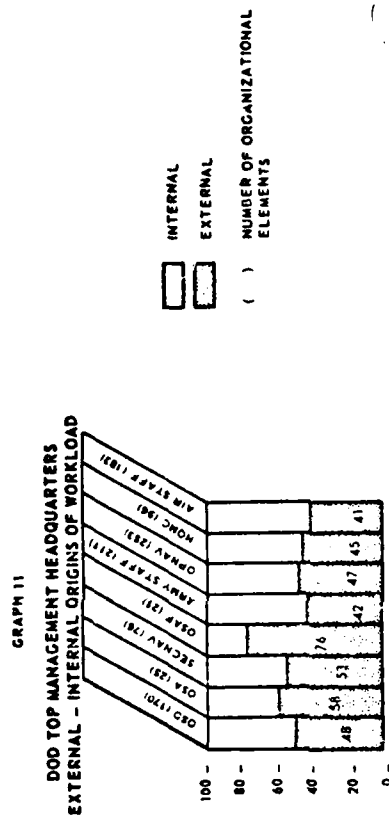
The congressional inquiry category in our questionnaire consists of activities, such as review of committee hearings, data to be submitted for the record, written and telephonic requests for information or data on service programs, and response to constituent mail. These required 1,393 staff-years at a cost of \$32.6 million. The Army Staff, with 350 staff-years and \$8.1 million in expenditures, had the highest amount of effort devoted to congressional inquiries, with the Air Staff a close second and OSD third (graph 14).

Under the non-DOD liaison activity (graph 15), OSD expended the highest number of staff years, 206, and the highest cost, \$5.4 million. Another observation in this category was the greater involvement of the Navy secretariat in non-DOD liaison as compared to the other secretariats, almost five times greater. This difference suggests that the Navy secretariat spends a greater amount of time coordinating with external organizations.

Graph 16 shows the proportion of staff-years and associated cost each top management headquarters spent on directed studies and ad hoc committee assignments external to the respondents headquarters. As indicated, the Air Staff contributed approximately 36 percent of the total 776 staff-years devoted to studies and committees. This is twice the amount of effort by the Army, about 18 percent. The Air Force secretariat had the lowest expenditures in this area.

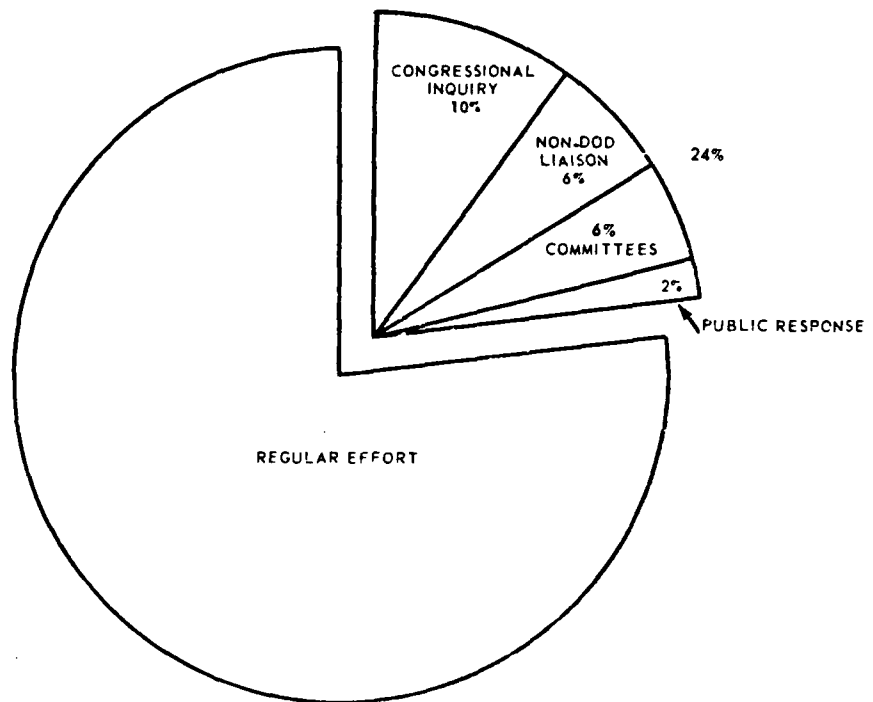
Finally, in graph 17, we depict the staff-years spent on requests for information from the press and general public. The Army Staff with 25 percent, the Air Staff with 18 percent, and OSD with 18 percent, of the 255 total staff-years, represent the largest contributors to information requests from the press and general public.

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GRAPH 12

**DOD TOP MANAGEMENT HEADQUARTERS
EFFORT DEVOTED TO CONGRESSIONAL INQUIRY, NON-DOD LIAISON,
COMMITTEES, AND PUBLIC RESPONSE
FISCAL YEAR 1975**



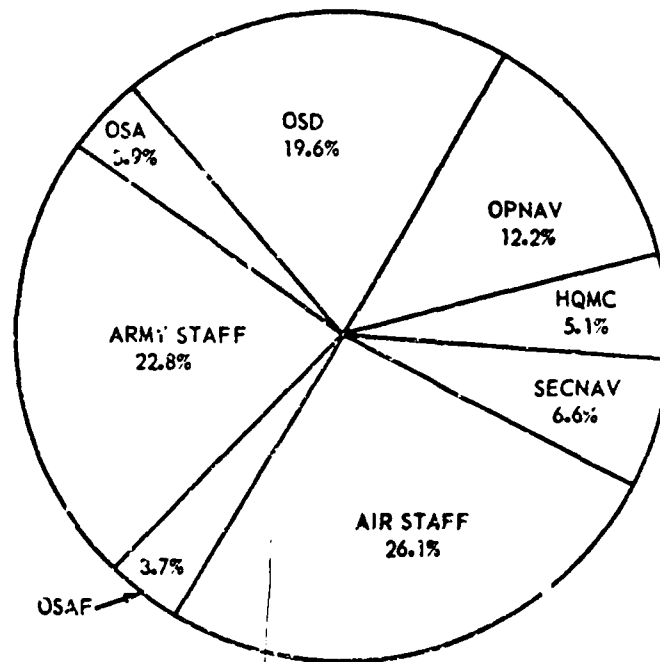
	% TOTAL EFFORT	STAFF YEARS	COST (MILLIONS)
CONGRESSIONAL INQUIRY	10	1,393	\$32.6
NON-DOD LIAISON	6	813	19.2
COMMITTEES	6	776	18.7
PUBLIC RESPONSE	2	255	5.8
TOTAL	24	3,327	\$76.3

Source: DOD Headquarters Activity Survey,
June 1975

GRAPH 13

**DOD TOP MANAGEMENT HEADQUARTERS
BREAKDOWN OF 3237 STAFF YEARS DEVOTED TO
CONGRESSIONAL INQUIRY, NON-DOD LIAISON,
COMMITTEES, AND PUBLIC RESPONSE**

FISCAL YEAR 1975



HEADQUARTERS	% OF TOTAL EFFORT	STAFF-YEARS	COST (MILLIONS)
OSD	37	634	\$16.6
OSA	45	126	2.7
SECNAV	16	214	4.8
OSAF	45	119	2.7
ARMY STAFF	19	738	17.1
OPNAV	20	395	9.3
HQMC	17	165	3.4
AIR STAFF	25	846	19.7
TOTAL		3237	\$76.3

Source: DOD Headquarters Activity Survey,
June 1975

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SUGGESTED IMPROVEMENTS IN STAFFING AND ORGANIZATION OF TOP MANA--ETC(U)
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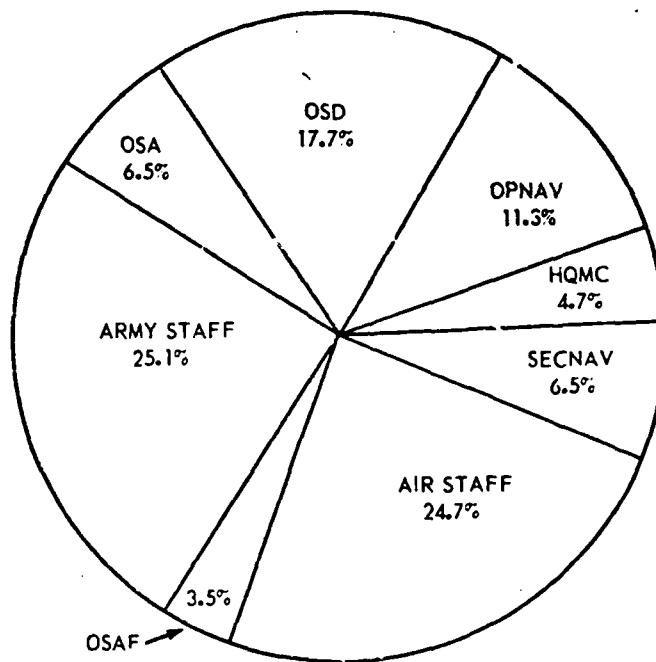
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GRAPH 14

**DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN 1,393 STAFF-YEARS
SPENT ON CONGRESSIONAL INQUIRY
FISCAL YEAR 1975**

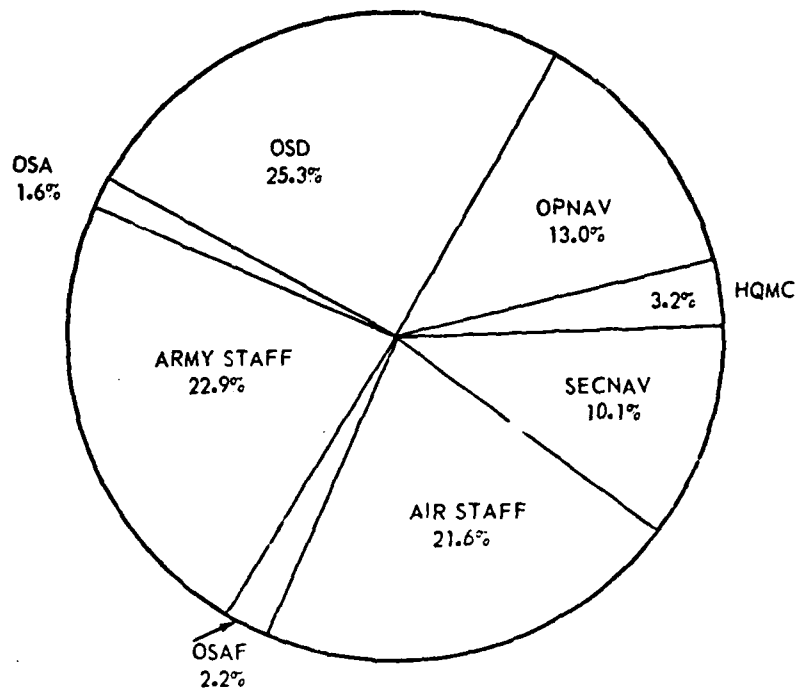


HEADQUARTERS	% OF TOTAL EFFORT	STAFF-YEARS	COST (MILLIONS)
OSD	13	24	\$ 6.4
OSA	33	91	1.9
SECNAV	7	91	2.1
OSAF	18	49	1.1
ARMY STAFF	9	350	8.1
OPNAV	9	157	3.7
HQMC	7	65	1.3
AIR STAFF	10	544	8.0
TOTAL		1,393	\$32.6

Source: DOD Headquarters Activity Survey,
June 1975

GRAPH 13

**DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN 813 STAFF-YEARS
SPENT ON NON-DOD LIAISON
FISCAL YEAR 1975**



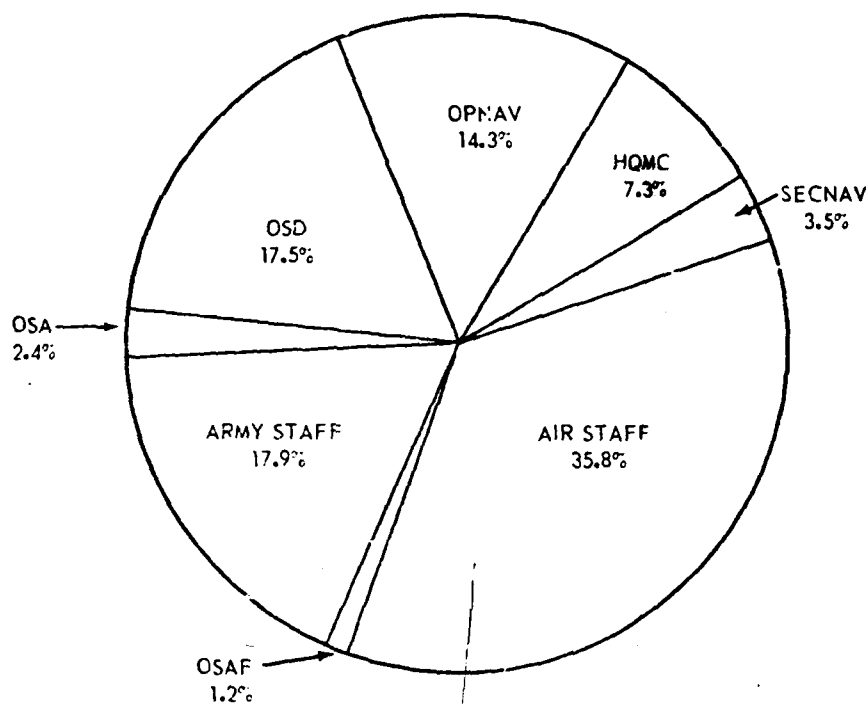
HEADQUARTERS	% OF TOTAL EFFORT	STAFF-YEARS	COST (MILLIONS)
OSD	11	206	\$ 5.4
OSA	5	13	.3
SECNAV	5	82	1.7
OSAF	7	18	.4
ARMY STAFF	5	186	4.3
OPNAV	6	106	2.5
HQMC	3	26	.5
AIR STAFF	5	176	4.1
TOTAL	●	813	\$19.2

Source: DOD Headquarters Activity Survey,
June 1975

GRAPH 16

**DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN 776 STAFF-YEARS
SPENT ON DIRECTED STUDIES AND ADHOC COMMITTEES
EXTERNAL TO RESPONDENTS' HEADQUARTERS**

FISCAL YEAR 1975



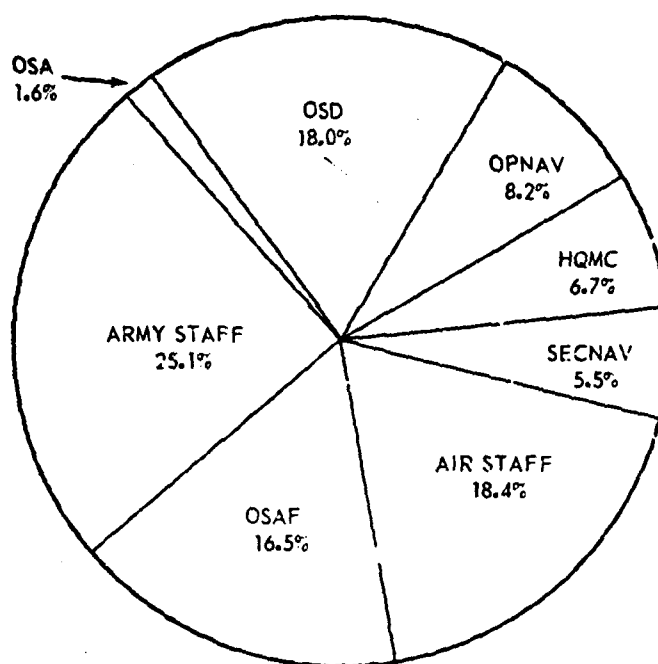
HEADQUARTERS	% OF TOTAL EFFORT	STAFF-YEARS	COST (MILLIONS)
OSD	7	136	\$ 3.6
OSA	7	19	.5
SECNAV	2	27	.7
OSAF	3	9	.2
ARMY STAFF	3	139	3.3
OPNAV	7	111	2.7
HQMC	6	57	1.2
AIR STAFF	8	276	6.5
TOTAL		776	\$18.7

Source: DOD Headquarters Activity Survey,
June 1975

GRAPH 17

**DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN 255 STAFF-YEARS
SPENT ON PUBLIC RESPONSE**

FISCAL YEAR 1975



HEADQUARTERS	% OF TOTAL EFFORT	STAFF-YEARS	COST (MILLIONS)
OSD	2	46	\$1.2
OSA	1	4	.1
SECNAV	1	14	.3
OSAF	16	42	.9
ARMY STAFF	2	64	1.5
OPNAV	1	21	.5
HQMC	2	17	.3
AIR STAFF	1	47	1.0
TOTAL		255	\$5.8

Source: DOD Headquarters Activity Survey,
June 1975

Involvement in the budget process

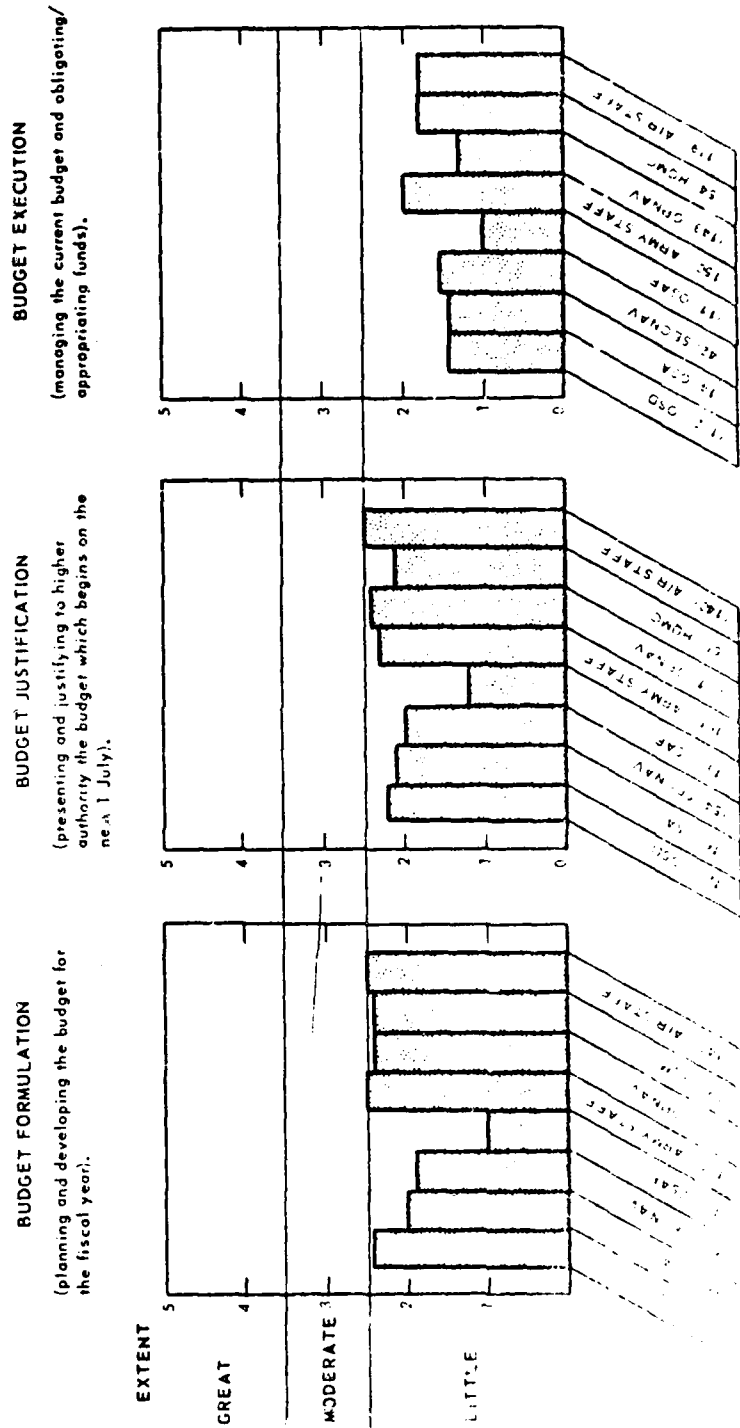
Graph 18 shows the average involvement of the top management headquarters in the three budget activities: formulation, justification, and execution. The respondents were asked to rate, on a scale of 1 to 5 (very little to very great), their involvement in the budget process. The overall low level of involvement in each part of the budget process suggests that budgeting is decentralized. Generally, the service staffs are the most involved in each of the three budget activities. The service staffs are relatively lower in the budget execution activity than in budget formulation and justification. This further suggests that most of the execution of the budget is done at a lower level than the eight headquarters organizations.

One of the most interesting points established by the data is that for those organizations, which are involved in the budget process and have a fiscal and budgetary primary activity, virtually no organization does budget formulation exclusively. Again, this indicates that the process is decentralized.

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GRAPH 18
DOD TOP MANAGEMENT HEADQUARTERS
INVOLVEMENT IN THE BUDGET PROCESS



Source: DOD Headquarters Activity Survey, June 1975.

DOD HEADQUARTERS ACTIVITY SURVEY

The General Accounting Office (GAO) wishes to obtain basic information about the operation and organization of certain DOD headquarters activities.

The purpose of this questionnaire is to help us understand the operations and interrelationships of some of DOD's organizational elements. This questionnaire is not a comprehensive job analysis or desk audit--its content does not permit such a use. We do not intend to base our understanding on this information alone. Followup interviews will be conducted with selected respondents to confirm results of the questionnaire and to complete our information gathering.

This questionnaire is being administered within the following organizations:

- Office of the Secretary of Defense
- Office of the Secretary of the Army
- Office of the Secretary of the Navy
- Office of the Secretary of the Air Force
- Army Staff
- Office of the Chief of Naval Operations
- Headquarters Marine Corps
- Air Staff

Respondents to this questionnaire should be the heads of organizational elements at the action office level of these organizations. Since the nomenclature of these elements varies widely (a "division" in one organization is comparable to a "branch" in another), we have, throughout this questionnaire, referred to the elements in connection with five organizational levels. The Organizational Elements Chart on page 3 shows the relationship between organizational levels and the organizational elements. This illustration represents our view of the organizational structure of DOD headquarters and is provided to help you complete the questionnaire. The usefulness of questionnaire responses depends on your understanding where your organizational element fits in the structural illustration provided. Please take time to study the illustration and particularly note at what organizational level you find your organizational element and the identification (e.g., major organization, immediate organization, etc.) used to differentiate between levels 1 through 5. We encourage you to tear out the chart to help you answer questions 22 through 27.

INSTRUCTIONS FOR RETURNING QUESTIONNAIRE

When you have completed your responses please seal the questionnaire in the envelope provided and mail it for our receipt on or before June 27, 1975.

We recognize that the effort required to complete this questionnaire is no small task. Your consideration is greatly appreciated. If any problems arise in completing the form, please call *John Gentry*, *Bill Beusse*, or *Vince DiCarlo*, telephone 386-3417 (area code 202) and we will be happy to help you.

General Accounting Office, Washington, D.C.

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ORGANIZATIONAL ELEMENTS CHART									
ORGANIZATION	Office of the Secretary of Defense	SERVICE SECRETARIATES			SERVICE STAFFS			ALL FORCES	
		ARMY	NAVY	AIR FORCE	ARMY	NAVY	AIR FORCE	ALL FORCES	
LEVEL 1 GENERAL MANAGEMENT	Office of the Secretary of Defense	Office of the Secretary of the Army	Office of the Secretary of the Navy	Office of the Secretary of the Air Force	Army Staff	Office of the Chief of Naval Operations (OPNAV)	Headquarters Marine Corps	Air Staff	
LEVEL 2 GENERAL MANAGEMENT	Assistant SECDEF and equivalent e.g., OASD (M&A)	Assistant SEC of the Army and equivalent e.g., ASA (M&A)	Assistant SECNAV and equivalent e.g., ASN (M&A)	Assistant SEC of the Air Force and equivalent e.g., ASAF (M&A)	Deputy Chief of Staff and equivalent e.g., DCS (Personnel)	Deputy CNO and equivalent e.g., DCMO (Manpower)	Deputy Chief of Staff/Headquarters Marine Corps and equivalent e.g., DCS (Personnel)	Deputy Chief of Staff and equivalent e.g., DCS (Personnel)	
LEVEL 3 GENERAL MANAGEMENT	Deputy Asst. SECDEF and equivalent e.g., OASD (M&A) Military Personnel Policy	Deputy Asst. SEC of the Army and equivalent e.g., ASAS (M&A) Military Personnel Policy	Directorate or Office (Compt., etc.) and equivalent e.g., ADMN. Asst. Manpower Mgt.	Deputy Asst. SEC of the Air Force and equivalent e.g., ASAF (M&A) Personnel Policy	Directorate and equivalent e.g., Dir. Military Manpower Planning & Program Div. (DCPMB)	Division and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Division and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Directorate and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	
LEVEL 4 GENERAL MANAGEMENT	Directorate and equivalent e.g., OASD (M&A) Manpower Policy	Deputy Asst. SEC of the Army and equivalent e.g., ASAS (M&A) Manpower Policy	Division and equivalent e.g., Career Mgt. Div. (DCM)	Deputy Asst. SEC of the Air Force and equivalent e.g., ASAF (M&A) Manpower Policy	Division and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Branch and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Branch and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Division and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	
LEVEL 5 GENERAL MANAGEMENT	Lower Levels	Lower Levels	Branch and equivalent e.g., Career System Branch (DCM)	Lower Levels	Branch and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Section and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Section and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	Branch and equivalent e.g., Manpower Planning & Program Div. (DCPMB)	

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1. Date: _____
2. Name of respondent: _____
3. Title of respondent: _____
4. Phone number: _____
5. Length of time in present position: _____
6. Name of your major organization (e.g., ASD (M&RA), DCNO (Manpower), DCSPTR) _____
7. Name of your organizational element (e.g., DASD (Military Personnel Policy) Compensation Studies) _____
8. Check the number which indicates the level of your organizational element. (See organizational elements chart on page 3.)

1

2

3

4

5
9. Number of years your activity has existed: _____
Unknown ☐
10. Indicate the number of personnel in your organizational element in each of the following categories:

	<u>Military</u>	<u>Civilian</u>
Supervisors	_____	_____
Action officers	_____	_____
Support	_____	_____

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11. Indicate the number of personnel in each grade that are assigned to your organizational element:

Military				Civilian			
Officer		Enlisted		Professional		Clerical	
Grade	No.	Grade	No.	Grade	No.	Grade	No.
O-7 & up	___	E-7 & up	___	GS-16 & up	___	GS-8 & up	___
O-6	___	E-6	___	GS-15	___	GS-7	___
O-5	___	E-5	___	GS-14	___	GS-6	___
O-4	___	E-4	___	GS-13	___	GS-5	___
O-3	___	E-3	___	GS-12	___	GS-4	___
O-2	___	E-2, E-1	___	GS-11	___	GS-3	___
O-1	___			GS-9, 10	___	GS-1, 2	___
WO	___			GS-7, 8	___		
Total	==	Total	==	Total	==	Total	==

12. What is the grade of the highest ranking individual (military or civilian) in your organizational element? _____

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13. Estimate to the nearest tenth the percentage of your organizational element's total effort in the last 12 months expended on each of the following activities:
- (1) Response to congressional inquiry (including review of committee hearings, data to be submitted for the record, written and telephonic requests for information or data on Service programs, and response to constituent mail). _____
 - (2) Liaison and correspondence with non-DOD agencies (including White House & OMB). _____
 - (3) Providing members to directed studies and ad hoc committees. (Do not include efforts originating within your major organization.) _____
 - (4) Response to inquiry from the press and general public under the Freedom of Information Act. _____
14. List the directed studies and ad hoc committees mentioned in (3) above. _____

15. List the boards and standing committees outside your major organization to which you provide members. _____

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16. To what extent do the activities of your organizational element involve you in the following subject areas? (Place an "X" in the appropriate column for each subject area.)

	Not involved in this area at <u>all</u>	To a very little <u>extent</u>	To a little <u>extent</u>	To a moderate <u>extent</u>	To a great <u>extent</u>	To a very great <u>extent</u>
A. <u>R & D</u> (requirements, programming, implementation, test and evaluation, etc.)	_____	_____	_____	_____	_____	_____
B. <u>Intelligence</u> (requirements, collection, processing, production support, etc.)	_____	_____	_____	_____	_____	_____
C. <u>Security and Counter-intelligence</u>	_____	_____	_____	_____	_____	_____
D. <u>Command, Control, and Communication</u>	_____	_____	_____	_____	_____	_____
E. <u>Automatic Data Processing</u> (requirements, management information systems, operations, etc.)	_____	_____	_____	_____	_____	_____
F. <u>Force and Contingency Planning</u> (strategic and tactical planning and development, force structure, operational readiness and requirements, etc.)	_____	_____	_____	_____	_____	_____
G. <u>Personnel</u> (accessions, training, promotions, utilization, assignments, compensation, incentives, benefits, etc.)	_____	_____	_____	_____	_____	_____
H. <u>Manpower</u> (authorizations, allocations, validation, documentation, etc.)	_____	_____	_____	_____	_____	_____
I. <u>Facilities and Construction</u> (engineering, real estate, public works, repair projects, etc.)	_____	_____	_____	_____	_____	_____

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	Not involved in this area at <u>all</u>	To a very little <u>extent</u>	To a little <u>extent</u>	To a moderate <u>extent</u>	To a great <u>extent</u>	To a very great <u>extent</u>
J. <u>Logistics</u> (supply and services, maintenance, transportation, material requirements, procurement, production and distribution, etc.)	_____	_____	_____	_____	_____	_____
K. <u>Public Information</u>	_____	_____	_____	_____	_____	_____
L. <u>Internal Auditing and Inspection</u>	_____	_____	_____	_____	_____	_____
M. <u>Contracts</u> (audit, administration, monitoring, etc.)	_____	_____	_____	_____	_____	_____
N. <u>Fiscal and Budgetary</u> (financial management, accounting and funding, etc.)	_____	_____	_____	_____	_____	_____
O. <u>Internal Staff Administration</u> (staff organization, mail service, reports and correspondence control, forms and space management, support services etc.)	_____	_____	_____	_____	_____	_____
P. <u>Legal Services</u>	_____	_____	_____	_____	_____	_____
Q. <u>Congressional Liaison</u>	_____	_____	_____	_____	_____	_____
R. <u>Administration and Management</u> (organizational policy and management, records and administration, awards and decorations, etc.)	_____	_____	_____	_____	_____	_____
S. Other (specify): _____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

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17. Which of the areas listed in question 16 do you consider your primary area of responsibility? List additional areas you consider significant because of either man-years invested or importance to the mission of your organizational element. Also, show the percentage of your total workload devoted to each of these areas and all other areas. The total should sum to 100 percent. (Please spell out choice. Do not use acronyms.)

<u>Subject Area</u>	<u>Percent of total workload</u>
Primary	
All other areas	

100%

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- Completely Dependent  Completely Independent

- | | | |
|--|-------|---|
| Congress, OMB, White House | _____ | % |
| OSD/OJCS | _____ | % |
| Service Secretariats | _____ | % |
| Service Staffs | _____ | % |
| Other (Civil Service Commission,
General Services Administration, etc.) | _____ | % |
| Total | 100 | % |

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20. To what extent do the activities of your organizational element within its primary area of responsibility comprise the following? Place an "X" in the appropriate column for each category of activity.

	Not involved in this area at <u>all</u>	To a very little <u>extent</u>	To a little <u>extent</u>	To a moderate <u>extent</u>	To a great <u>extent</u>	To a very great <u>extent</u>
A. Making decisions, sanctioning, or giving concurrence or nonconcurrence to plans, programs, etc., prepared by others.	_____	_____	_____	_____	_____	_____
B. Setting of goals or constraints such as policy, guidance, priorities, requirements, objectives, directives, etc.	_____	_____	_____	_____	_____	_____
C. Establishing authorizations, allocations, force levels, force structure, etc.	_____	_____	_____	_____	_____	_____
D. Preparation of plans, programs, projections, estimates, recommendations, issues, reclaims, etc.	_____	_____	_____	_____	_____	_____
E. Conducting studies or analyses, gathering data, developing findings, conclusions, or alternatives.	_____	_____	_____	_____	_____	_____
F. Collecting, assembling, scheduling, coordinating, integrating, distributing, forwarding, or filing of information.	_____	_____	_____	_____	_____	_____
G. Reviewing, evaluating, commenting, or advising on plans, programs, etc.	_____	_____	_____	_____	_____	_____
H. Formulation, justification, and execution of budgets or other fiscal matters.	_____	_____	_____	_____	_____	_____

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	Not involved in this area at <u>all</u>	To a very little <u>extent</u>	To a little <u>extent</u>	To a moderate <u>extent</u>	To a great <u>extent</u>	To a very great <u>extent</u>
I. Implementing, administering, monitoring, or managing programs.	_____	_____	_____	_____	_____	_____
J. Procuring, evaluating, or monitoring contracts or grants.	_____	_____	_____	_____	_____	_____
K. If none of the above categories adequately cover the activities of your organizational element in your <u>primary area</u> , describe your primary activities.	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

21. To what extent are the activities of your organizational element directly related to the following?

	Not involved in this area at <u>all</u>	To a very little <u>extent</u>	To a little <u>extent</u>	To a moderate <u>extent</u>	To a great <u>extent</u>	To a very great <u>extent</u>
Budget Formulation (planning and developing the budget for the fiscal year).	_____	_____	_____	_____	_____	_____
Budget Justification (presenting and justifying to higher authority the budget which begins on the next 1 July).	_____	_____	_____	_____	_____	_____
Budget Execution (managing the current budget and obligating/appropriating funds).	_____	_____	_____	_____	_____	_____

NOTE:

Questions 22 through 27 are three-part questions. Part A is designed to determine the split between EXTERNAL and INTERNAL actions and/or influences on the activities of your organizational element.

e.g. Outside your parent organization.
Within your parent organization.

Part B is designed to determine what the distribution of INTERNAL actions and/or influences is within the organizational levels of your parent organization.

e.g. Your parent organization but outside your major organization.
Your major organization but outside your immediate organization.
Your immediate organization but outside your component organization.
Your component organization but outside your sub-component organization.
Your organizational element.

Part C is designed to determine what the distribution of EXTERNAL actions and/or influences is from organizations outside your parent organization.

e.g. Congress, OMB, White House
OSD/OJCS
Service Secretariat
Service Staff
Other (CSC, GSA, etc.)

(Please recall that Part C answers refer to organizations outside your parent organization. Therefore, do not answer for your parent organization. You may, however, use the answer choice which relates to your parent organization to reflect intra-service actions and/or influences if applicable.)

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- 22A. Approximately what proportion of your workload is originally generated by each of the following? Complete this question for the primary area you listed in question 17.

	<u>Primary area</u>
Outside your parent organization	_____ %
Within your parent organization	_____ %
	100%

- 22B. For that portion of your workload you indicated in question 22A above as generated within your parent organization, what proportion is originally generated by each of the following?

	<u>Primary area</u>
Within:	
Your parent organization but outside your major organization	_____ %
Your major organization but outside your immediate organization	_____ %
Your immediate organization but outside your component organization	_____ %
Your component organization but outside your subcomponent organization	_____ %
Your organizational element	_____ %
Total	100%

- 22C. For that portion of your workload you indicated in question 22A above as generated outside your parent organization, what proportion is originally generated by each of the following?

	<u>Primary area</u>
Congress, OMB, White House	_____ %
OSD/OJCS	_____ %
Service Secretariat	_____ %
Service Staff	_____ %
Other (CSC, GSA, etc.)	_____ %
	100%

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23A. What proportion of the total amount of policy, directives, and guidance you receive originates:

Outside your parent organization _____ %

Within your parent organization _____ %

Total 100%

23B. For policy, directives, or guidance that originate within your parent organization, to what extent do each of the following ordinarily directly affect the activities of your organizational element within its primary area of responsibility? Place an (X) in the appropriate column.

	<u>None</u>	<u>To a very little extent</u>	<u>To a little extent</u>	<u>To a moderate extent</u>	<u>To a great extent</u>	<u>To a very great extent</u>
Within:						
Your parent organization but outside your major organization.	_____	_____	_____	_____	_____	_____
Your major organization but outside your immediate organization.	_____	_____	_____	_____	_____	_____
Your immediate organization but outside your component organization.	_____	_____	_____	_____	_____	_____
Your component organization but outside your subcomponent organization.	_____	_____	_____	_____	_____	_____

23C. For policy, directives, or guidance that originate outside your parent organization, to what extent do each of the following ordinarily directly affect the activities of your organizational element within its primary area of responsibility? Place an (X) in the appropriate column.

	<u>None</u>	<u>To a very little extent</u>	<u>To a little extent</u>	<u>To a moderate extent</u>	<u>To a great extent</u>	<u>To a very great extent</u>
Congress, CMB, White House	_____	_____	_____	_____	_____	_____
OSD/OJCS	_____	_____	_____	_____	_____	_____
Service Secretariat	_____	_____	_____	_____	_____	_____
Service Staff	_____	_____	_____	_____	_____	_____
Other (CSC, GSA, etc.)	_____	_____	_____	_____	_____	_____

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24A. What proportion of the total amount of approvals, concurrences, and decisions you obtain from higher authority emanates:

Outside your parent organization _____ %

Within your parent organization _____ %

Total 100%

24B. For approvals, concurrences, and decisions which originate within your parent organization, to what extent do each of the following ordinarily directly affect the activities of your organizational element within its primary area of responsibility? Place an (X) in the appropriate column.

	None	To a very little extent	To a little extent	To a moderate extent	To a great extent	To a very great extent
Within:						
Your parent organization but outside your major organization.	_____	_____	_____	_____	_____	_____
Your major organization but outside your immediate organization.	_____	_____	_____	_____	_____	_____
Your immediate organization but outside your component organization.	_____	_____	_____	_____	_____	_____
Your component organization but outside your subcomponent organization.	_____	_____	_____	_____	_____	_____

24C. For approvals, concurrences, and decisions which originate outside your parent organization, to what extent do each of the following ordinarily directly affect the activities of your organizational element within its primary area of responsibility? Place an (X) in the appropriate column.

	None	To a very little extent	To a little extent	To a moderate extent	To a great extent	To a very great extent
Congress, OMB, White House	_____	_____	_____	_____	_____	_____
OSD/OJCS	_____	_____	_____	_____	_____	_____
Service Secretariat	_____	_____	_____	_____	_____	_____
Service Staff	_____	_____	_____	_____	_____	_____
Other (CSC, GSA, etc.)	_____	_____	_____	_____	_____	_____

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25A. What proportion of the total amount of formal coordination you conduct is:

Outside your parent organization _____ %

Within your parent organization _____ %

Total 100%

25B. For coordination that you conduct within your parent organization, to what extent do you formally coordinate activities or actions of your organizational element within its primary area of responsibility with each of the following? Place an (X) in the appropriate column.

	Never coordinate with	Rarely coordinate with	Sometimes coordinate with	Usually coordinate with	Always coordinate with
Within:					
Your parent organization but outside your major organization.	_____	_____	_____	_____	_____
Your major organization but outside your immediate organization.	_____	_____	_____	_____	_____
Your immediate organization but outside your component organization.	_____	_____	_____	_____	_____
Your component organization but outside your subcomponent organization.	_____	_____	_____	_____	_____

25C. For coordination that you conduct outside your parent organization, to what extent do you formally coordinate activities or actions of your organizational element within its primary area of responsibility with each of the following? Place an (X) in the appropriate column.

	Never coordinate with	Rarely coordinate with	Sometimes coordinate with	Usually coordinate with	Always coordinate with
Congress, OMB, White House	_____	_____	_____	_____	_____
OSD/OJCS	_____	_____	_____	_____	_____
Service Secretariat	_____	_____	_____	_____	_____
Service Staff	_____	_____	_____	_____	_____
Other (CSC, GSA, etc.)	_____	_____	_____	_____	_____

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26A. What proportion of the total amount of plans, programs, recommendations, issue papers, etc., which you prepare is done for organizational elements:

Outside your parent organization	_____ %
Within your parent organization	_____ %
Total	<u>100%</u>

26B. To what extent do you develop, prepare, or formulate plans, programs, recommendations, issue papers, etc., for each of the following organizational elements within your parent organization:

	<u>None</u>	<u>To a very little extent</u>	<u>To a little extent</u>	<u>To a moderate extent</u>	<u>To a great extent</u>	<u>To a very great extent</u>
Within:						
Your parent organization but outside your major organization.	_____	_____	_____	_____	_____	_____
Your major organization but outside your immediate organization.	_____	_____	_____	_____	_____	_____
Your immediate organization but outside your component organization.	_____	_____	_____	_____	_____	_____
Your component organization but outside your subcomponent organization.	_____	_____	_____	_____	_____	_____

26C. To what extent do you develop, prepare, or formulate plans, programs, recommendations, issue papers, etc., for each of the following organizations outside your parent organization:

	<u>None</u>	<u>To a very little extent</u>	<u>To a little extent</u>	<u>To a moderate extent</u>	<u>To a great extent</u>	<u>To a very great extent</u>
Congress, OMB, White House	_____	_____	_____	_____	_____	_____
OSD/WCS	_____	_____	_____	_____	_____	_____
Service Secretariat	_____	_____	_____	_____	_____	_____
Service Staff	_____	_____	_____	_____	_____	_____
Other (CSC, GSA, etc.)	_____	_____	_____	_____	_____	_____

APPENDIX V

APPENDIX V

26A. What proportion of the total amount of plans, programs, recommendations, issue papers, etc., which you prepare is done for organizational elements:

Outside your parent organization _____%

Within your parent organization _____%

Total 100%

26B. To what extent do you develop, prepare, or formulate plans, programs, recommendations, issue papers, etc., for each of the following organizational elements within your parent organization:

	None	To a very little extent	To a little extent	To a moderate extent	To a great extent	To a very great extent
Within:						
Your parent organization but outside your major organization.	_____	_____	_____	_____	_____	_____
Your major organization but outside your immediate organization.	_____	_____	_____	_____	_____	_____
Your immediate organization but outside your component organization.	_____	_____	_____	_____	_____	_____
Your component organization but outside your subcomponent organization.	_____	_____	_____	_____	_____	_____

26C. To what extent do you develop, prepare, or formulate plans, programs, recommendations, issue papers, etc., for each of the following organizations outside your parent organization:

	None	To a very little extent	To a little extent	To a moderate extent	To a great extent	To a very great extent
Congress, OMB, White House	_____	_____	_____	_____	_____	_____
OSD/OJCS	_____	_____	_____	_____	_____	_____
Service Secretariat	_____	_____	_____	_____	_____	_____
Service Staff	_____	_____	_____	_____	_____	_____
Other (CSC, GSA, etc.)	_____	_____	_____	_____	_____	_____

PRINCIPAL OFFICIALS
RESPONSIBLE FOR ADMINISTERING
ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
Donald H. Rumsfeld	Nov. 1975	Present
James R. Schlesinger	July 1973	Nov. 1975
William P. Clements (acting)	May 1973	July 1973
DEPUTY SECRETARY OF DEFENSE:		
William P. Clements	Jan. 1973	Present
ASSISTANT SECRETARY OF DEFENSE (MANPOWER AND RESERVE AFFAIRS):		
William K. Brehm	Sept. 1973	Present
Carl W. Clewlow (acting)	June 1973	Aug. 1973
ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER):		
Terence E. McClary	June 1973	Present
<u>DEPARTMENT OF THE ARMY</u>		
SECRETARY OF THE ARMY:		
Martin R. Hoffman	Aug. 1975	Present
Norman R. Augustine (acting)	July 1975	Aug. 1975
Howard H. Callaway	May 1973	July 1975
ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND RESERVE AFFAIRS):		
Donald G. Brotzman	Mar. 1975	Present
M. David Lowe	Feb. 1974	Jan. 1975
Carl S. Wallace	Mar. 1973	Jan. 1974
CHIEF OF STAFF:		
Gen. Fred C. Weyand	Sept. 1974	Present
Gen. Creighton W. Abrams	Oct. 1972	Sept. 1974

APPENDIX VI

APPENDIX VI

		<u>Tenure of office</u>	
		<u>From</u>	<u>To</u>
<u>DEPARTMENT OF THE NAVY</u>			
SECRETARY OF THE NAVY:			
J. William Middendorf II	Apr. 1974	Present	
John W. Warner	May 1972	Apr. 1974	
ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND RESERVE AFFAIRS):			
Joseph T. McCullen, Jr.	Sept. 1973	Present	
James E. Johnson	June 1971	Sept. 1973	
CHIEF OF NAVAL OPERATIONS:			
Adm. James L. Holloway III	July 1974	Present	
Adm. Elmo R. Zumwalt, Jr.	July 1970	July 1974	
COMMANDANT OF THE MARINE CORPS:			
Gen. Louis H. Wilson	July 1975	Present	
Gen. Robert E. Cushman, Jr.	July 1972	June 1975	
<u>DEPARTMENT OF THE AIR FORCE</u>			
SECRETARY OF THE AIR FORCE:			
Thomas C. Reed	Dec. 1975	Present	
John L. McLucas	May 1973	Dec. 1975	
ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER AND RESERVE AFFAIRS):			
David P. Taylor	June 1974	Present	
James P. Goods (acting)	June 1973	June 1974	
CHIEF OF STAFF:			
Gen. David Jones	Aug. 1974	Present	
Gen. George S. Brown	Aug. 1973	July 1974	
Gen. John D. Ryan	Aug. 1969	Aug. 1973	